



2025
ESG Report
Ashtrom Group



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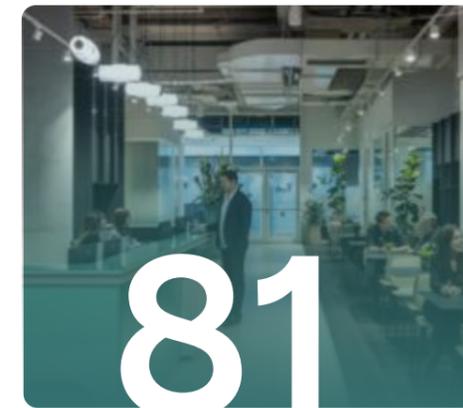
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This report is written in the masculine form for convenience only and applies equally to all genders.

Statement from the Chairman and CEO of Ashtrom Group



Avraham (Rami) Nussbaum
Chairman
Ashtrom Group



Gil Giron
Director & CEO
Ashtrom Group

Ashtrom Group continues to operate with a commitment to professional, fair, and responsible conduct – a commitment that has guided us for decades and serves as the foundation for every decision and action we take. These values remained at the core of our operations throughout 2025, amid a complex security and economic environment, as the ramifications of the “Iron Swords” war continued to be felt across multiple fronts, including the confrontation with Iran.

In this environment, we have maintained operational continuity and stability across most of our activities, while continuously reviewing measures to strengthen the Group’s resilience and further enhance its ability to respond to external volatility and change. At the same time, we continued to establish and improve processes for transparency, measurement, and the management of environmental and social risks, to ensure that our decisions are made with a long-term perspective and a genuine sense of responsibility toward the environment in which we operate.

We placed particular emphasis on strengthening ESG implementation across the Group’s business divisions – from setting objectives, through developing work plans, to advancing dedicated initiatives within each segment – in close collaboration with the Group’s ESG leaders.

At the heart of our activities are our people – employees and managers who work each day across the Group’s sites in Israel and around the world. We are committed to their safety and well-being and to maintaining a safe and respectful working environment. We value their contribution to the Group and the communities in which we operate, especially during this challenging period.

Our environmental focus also remained at the forefront of our activities and continued to drive tangible progress. Over the past year, we further reduced emissions and deepened the efficient use of raw materials. In addition, we expanded the Group’s climate risk assessments to additional business divisions and carried out external assurance of both our environmental and corporate data – further strengthening the foundation for data-driven decision-making.

The initiatives we are advancing to promote environmental and social responsibility are not one-off actions; rather, they are part of an ongoing, long-term process to strengthen our responsibility to the environment and the communities in which we operate. We monitor our performance against the targets we have set and are encouraged by the progress we are making on the material topics most relevant to our business.

The 2025 ESG Report reflects the path we are taking – a path defined by responsibility, resilience, and a broad perspective on both the present and the future. We invite you to review the report and gain a closer understanding of the Group’s diverse activities, carried out with a deep commitment to stability, transparency, and care for future generations.



The fast lanes

Statement from Ashtrom Group's ESG Leadership

Dear Readers,

The events of 2025 reinforced our understanding that ESG principles are not an additional layer placed upon our business activities; rather, they are integral to how we manage the Group, particularly in a period marked by heightened security challenges and broader impacts on our operating environment. Throughout the year, we continued to act with responsibility, transparency, and a long-term perspective, guided by our commitment to generating a positive impact on the people, communities, and environments in which we operate.

During the year, we continued to strengthen processes that promote responsible conduct across the day-to-day operations of all Group subsidiaries. This included setting segment-specific targets, developing detailed work plans to achieve them, and improving data quality. In addition, we expanded our climate change risk assessment to additional business segments and conducted independent external verification of selected environmental and social data. These steps strengthen our ability to manage risks with greater precision and embed ESG principles as an integral part of our daily professional practice.

The active involvement of the Board of Directors and senior management in our ESG processes strengthened the Group-wide commitment and underscored that this is a shared effort across all Group companies, supporting alignment around a consistent approach. At the same time, we deepened engagement with

our stakeholders, enabling an ongoing, open, and respectful dialogue and helping to ensure that our activities reflect their needs and expectations regarding how we operate. This was complemented by enhanced internal dialogue with the CEOs and ESG leaders across the Group's various business segments, as part of our continued efforts to advance ESG implementation.

During 2025, as part of a broad management forum of senior executives across the Group, we presented the key elements of the Group's ESG activity. This included regulatory trends, risks, and opportunities, as well as the role of managers in advancing and embedding ESG principles as an integral part of the Group's operations. We thank all our partners on this journey and invite you to continue with us on an ongoing path of responsibility, professionalism, and a long-term view of the future.

Sincerely,



Oren Nussbaum
Deputy CEO



Gal Omer
CFO



Maya Feuer
Head of Sustainability and Innovation

Ashtrom Group Ltd. ("Ashtrom Group" or "the Group") is one of Israel's leading construction and real estate companies, established in 1963. In 2004, it was registered as a group of companies, and in 2014, it completed its initial public offering (IPO) of shares and bonds on the Tel Aviv Stock Exchange, becoming a public company. Ashtrom Group shares are traded in the leading indices of the Tel Aviv Stock Exchange, including the **TA- 125, TA- 90, TA- Fossil Free, and TA- RealEstate**. The Group's bonds are **rated il A** with a negative outlook by S&P Maalot.¹

Ashtrom Group operates directly, as well as through its subsidiaries and investee companies, across a range of business segments, including construction, income-producing properties, residential development, construction industries, Residences for rent projects, renewable energy, and concessions, in Israel and abroad.



¹ All data presented in this report are accurate as of December 31, 2025. | ² Ashtrom Group's share. | ³ Together with strategic partners.

63

years of operations
since 1963

8

business divisions
operating in synergy
across construction, real
estate and energy

1,526

employees in
Israel

3,280

long-term **rental housing**
units under operation,
planning and development

Global presence

Across-9

regions of operation

16

construction materials
plants and production
sites nationwide

About-70

construction and
infrastructure projects
underway nationwide

1,536

MW
renewable energy capacity
under development,
construction, and operation²

18,200

residential units in
planning, construction
and marketing

Over 65

income-producing
assets in Israel and
abroad

~ 1,050

thousand sq m.
of existing and planned
income-generating real
estate properties³

Tierra Bonita energy facility in
operation

400

tonnes CO²
reduced annually
El Patrimonio under
development (~170,000 tonnes
CO² reduction expected
annually).

TIERRA BONITA • Text, United States

Business Segments of the Ashtrom Group



2,544⁴ Revenue volume in millions of shekels | Regions of Operation

Ashtrom Construction

Construction and Infrastructure in Israel

The Group's construction activity is carried out through the Business Segments of the Ashtrom Group, as well as through its investee entities (together and individually, "Ashtrom Construction"). Ashtrom Construction provides end-to-end capabilities across the planning and execution phases in the fields of building construction, civil engineering, transportation infrastructure, underground infrastructure, and industrialized construction. The company also delivers a wide range of projects, including residential buildings, offices, retail complexes, industrial facilities, public and government buildings, hospitals, and infrastructure projects such as ports, roads, bridges, and railways.



522⁴ Revenue volume in millions of shekels | Regions of Operation

Ashtrom Properties

Investment and Development of Income-Producing Properties

Ashtrom Properties Ltd. ("Ashtrom Properties") is a leading developer, planner, constructor, acquirer, and manager of income-producing real estate properties in Israel, Germany, and the UK. Ashtrom Properties holds approximately 1,050,000 sqm of existing and planned income-generating properties. In addition, together with its partners, Ashtrom Properties is advancing approximately 990 thousand sqm of additional projects currently in planning, development, and construction stages.



840⁴ Revenue volume in millions of shekels | Regions of Operation

Ashtrom Residences

Residential Development in Israel

Ashtrom Residences Ltd. (formerly "Ashdar," now "Ashtrom Residences") specializes in the planning and development of a wide range of residential projects in Israel. The Division is currently involved in the initiation, development, and marketing of thousands of residential units at various planning stages, and plays a leading role in advancing urban renewal projects in major cities across Israel.

⁴The data relate to the year ended December 31, 2025.

The amounts are presented before adjustments and the elimination of intercompany transactions for the consolidated report.

Business Segments of the Ashtrom Group



1,114⁴ Revenue volume in millions of shekels |
 Regions of Operation

Ashtrom Industries

Ashtrom Industries Ltd. ("Ashtrom Industries") develops, manufactures, imports, and markets a broad portfolio of advanced construction solutions and raw materials for all stages of the construction process. The Division operates at the forefront of technology and innovation, supported by advanced research and development capabilities. Ashtrom Industries operates 14 manufacturing facilities nationwide, producing high-quality concrete and mortar products, quarry materials, gypsum blocks and additional block types, asphalt for road infrastructure, aggregates, and advanced finishing and paint products.



117⁴ Revenue volume in millions of shekels |
 Regions of Operation

Ashtrom Residences for Rent

Ashtrom Residences for Rent LP ("Ashtrom Residences for Rent") initiates, plans, markets, leases, and manages residential communities across Israel under a long-term rental model, delivering a comprehensive community living experience. The institutional build-to-rent segment provides an innovative and effective housing solution, offering tenants a high level of certainty and flexibility with respect to lease duration and rental terms.



71⁴ Revenue volume in millions of shekels |
 Regions of Operation

Ashtrom Renewable Energy

Ashtrom Renewable Energy Ltd. ("Ashtrom Renewable Energy") operates as an Independent Power Producer (IPP) and specializes in the initiation, development, capital raising, and operation of large-scale projects in Israel and the United States. Its core activities focus primarily on solar energy projects (C&I), utility-scale projects, and energy storage solutions.

⁴The data relate to the year ended December 31, 2025.

The amounts are presented before adjustments and the elimination of intercompany transactions for the consolidated report.

Business Segments of the Ashtrom Group



19⁴ Revenue volume in millions of shekels | **2** Regions of Operation

Ashtrom Concessions

Ashtrom Concessions specializes in the initiation, capital raising, construction, and management of Public-Private Partnership (PPP) projects, based on collaboration among the private sector, the public sector, and financing entities. The aim is to deliver essential infrastructure projects that involve planning, development, and construction. The Group's flagship concession initiatives include major megaprojects such as the Carmel Tunnels in Haifa and the Jerusalem Light Rail.

⁴The data relate to the year ended December 31, 2025.

The amounts are presented before adjustments and the elimination of intercompany transactions for the consolidated report.



320⁴ Revenue volume in millions of shekels | **10** Regions of Operation

Ashtrom International

Ashtrom International Ltd. ("Ashtrom International") initiates, plans, constructs, and manages projects worldwide, and leads the development and construction of residential neighborhoods in Europe and the United States. In addition, the Division manages and operates income-producing assets in Serbia and Romania, and has taken part in complex infrastructure megaprojects in Africa, Europe, and the Caribbean.

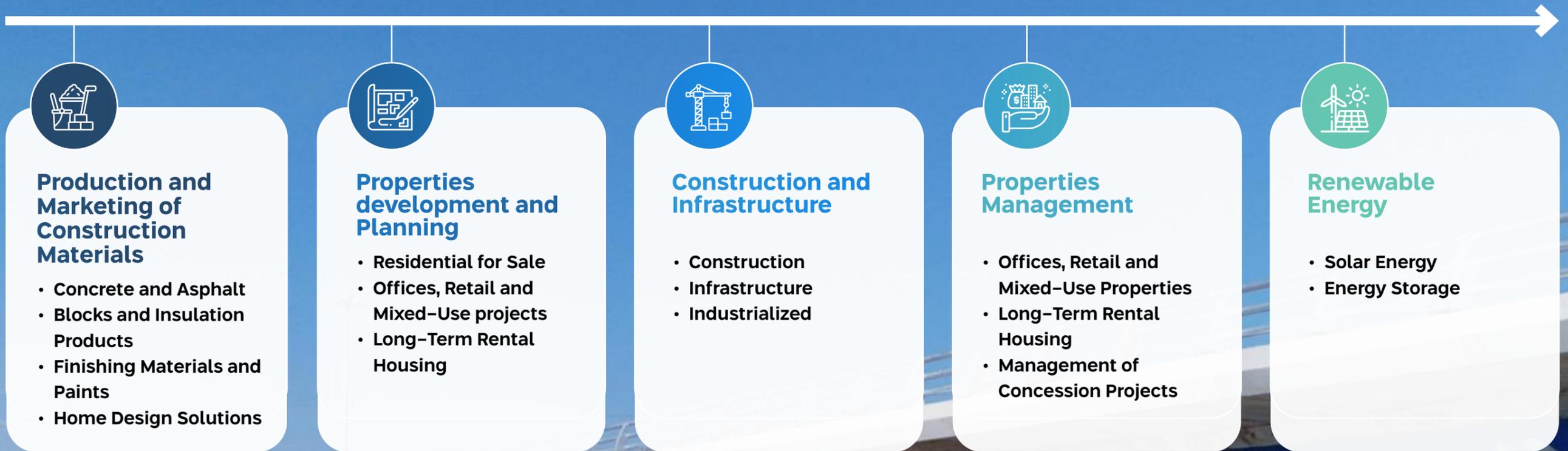
IBEROSTAR Hotel • Jamaica

Ashtrom Group Value Chain

Ashtrom Group operates end-to-end across the construction and real estate value chain – from quarrying and manufacturing construction materials, through infrastructure development, to the development and management of income-producing assets, residential communities, and renewable energy projects.

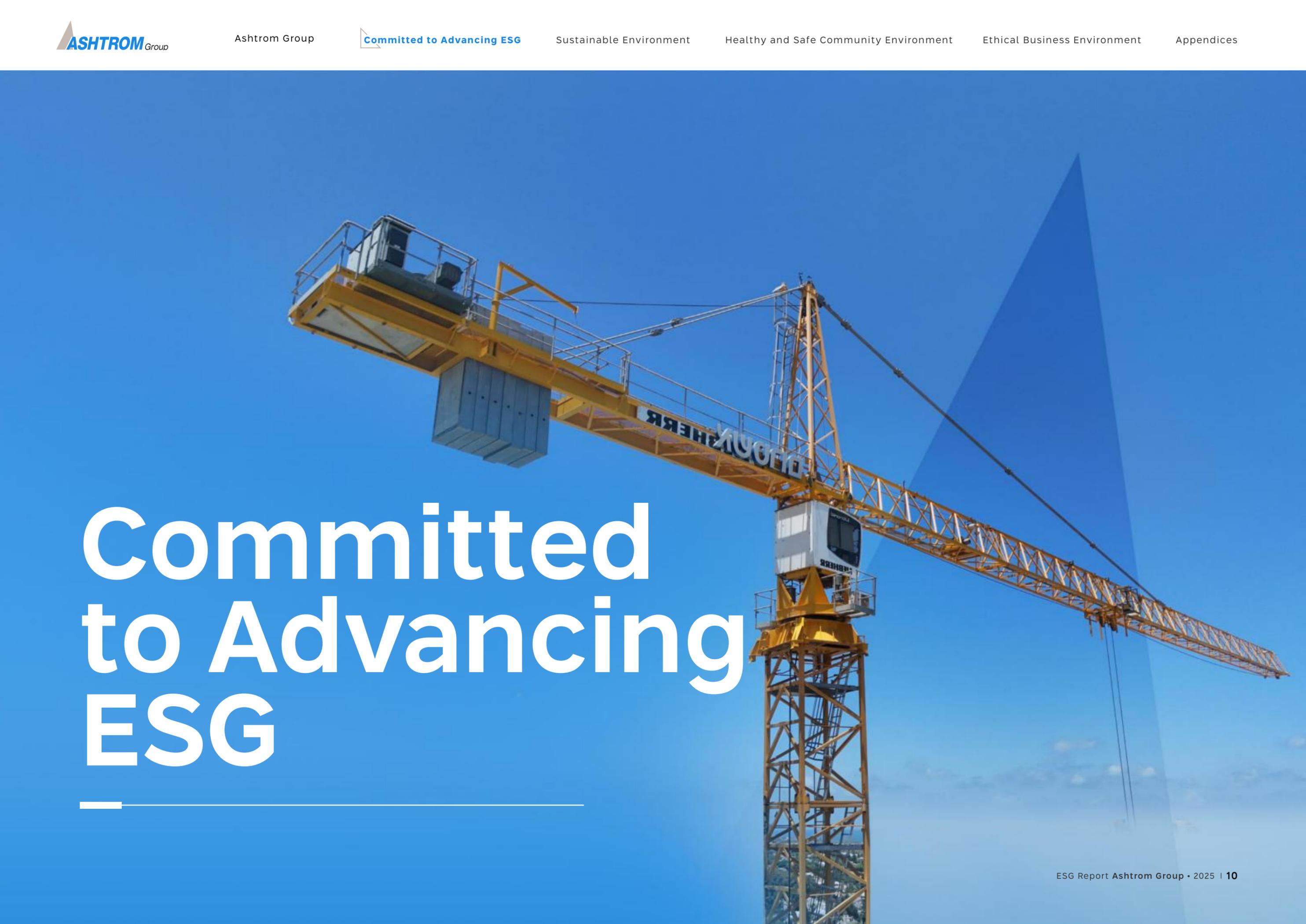
Each business segment plays a key role in advancing the Group's sustainability objectives by reducing environmental impacts at every stage of the value chain, while also fostering human capital and long-term, trust-based relationships with stakeholders. Throughout the value chain, the Group engages with raw material suppliers, subcontractors, professional consultants, financing entities, and business partners, ultimately delivering services and products to customers, residents, and end users.

In 2025, no material changes occurred in the Group's structure or value chain compared to 2024. The Group continues to operate in the same business segments, geographic regions, and core business models.



The fast lanes





Committed to Advancing ESG

Ashtrom Group's Stakeholders

Ashtrom Group's stakeholders include employees, customers, residents, business partners, suppliers, contractors, government and regulatory bodies, local communities, environmental organizations and non-profit associations, shareholders, and additional stakeholder groups. We attach great importance to maintaining an ongoing and transparent dialogue with our stakeholders, foremost among them our employees, customers, residents, and business partners.

As part of formulating the Group's ESG strategy, we conducted a mapping of our stakeholders, including the ongoing channels of engagement with them. The objective was to obtain feedback and foster constructive dialogue. In accordance with the Group's defined working processes, the relevant content leaders, who maintain regular contact with stakeholders, updated the relevant managers on insig

Stakeholder Engagement

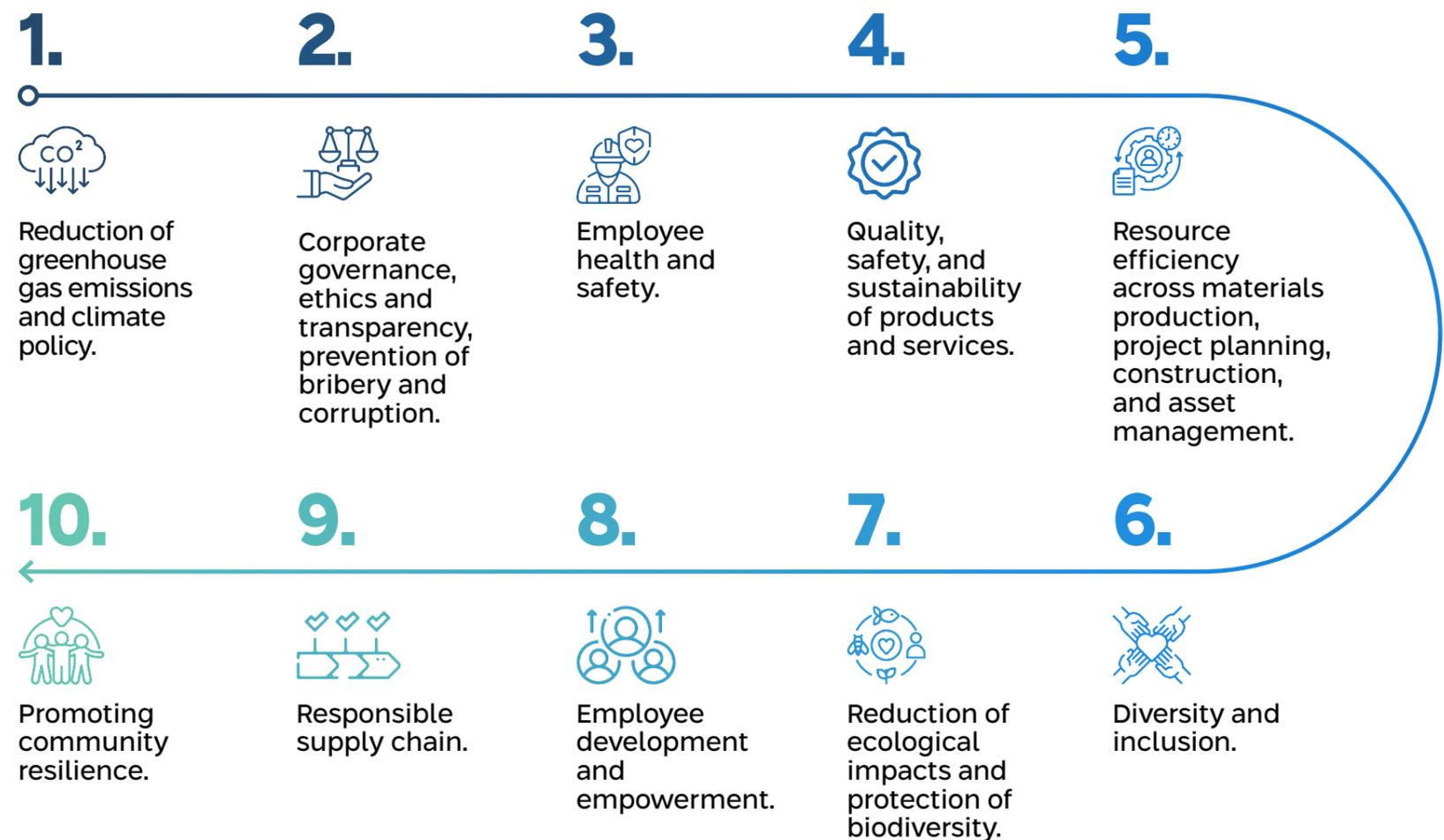
The topics of dialogue and communication channels with our stakeholders have not changed compared to the information published in the Group's 2024 report. [See the appendix "Stakeholder Engagement."](#)

Ashtrom Group is a member of several sectoral associations, industry organizations, and leading forums in Israel that promote the construction and real estate sectors in Israel and globally. For the [full list of memberships](#), see the [Appendices section](#).

For the table presenting Ashtrom Group's economic impact, see the [Appendices section](#).

Materiality Analysis

In 2024, the Group conducted a reassessment of its ESG materiality assessment. Questionnaires for managers were updated, and the strategic focus areas were validated. As part of this reassessment, we reviewed peer companies in Israel and globally, analyzed ESG ratings (such as GreenEye and Sustainalytics), and examined international standards (including SASB, GRI, and GRESB). This process enabled us to balance stakeholder expectations with the material impacts of the Group's activities across the value chain, and to prioritize topics based on their level of influence on the Group's business operations.



The topics identified through the materiality analysis led to the formulation of a Group-wide ESG strategy, based on the key impacts of Ashtrom Group's activities across its value chain.

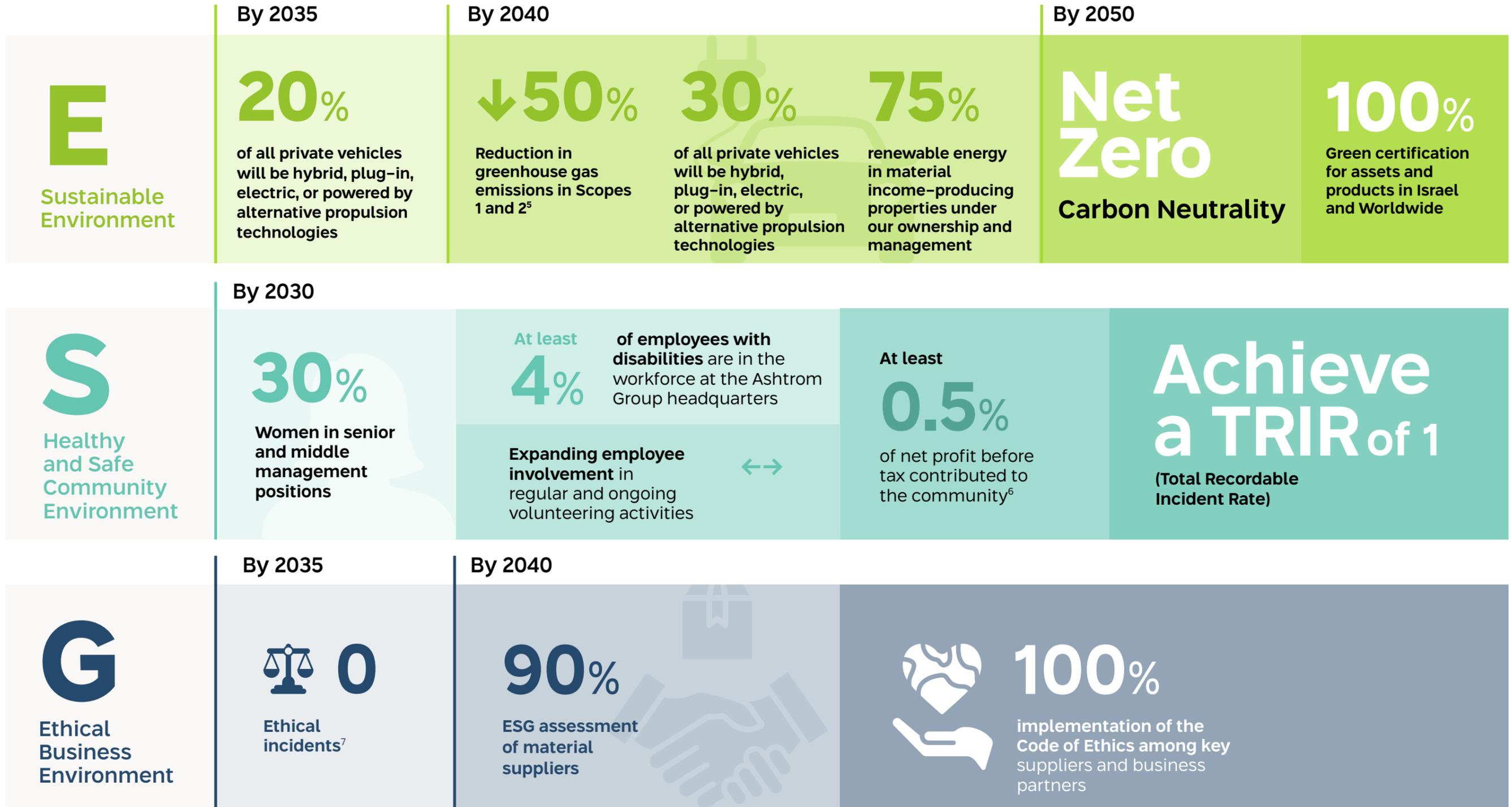
Our Strategy

The strategy establishes a unified Group-wide framework, tailors a dedicated action plan for each business segment, and focuses on the topics identified as material and with clear business impact.

<p>E Sustainable Environment</p>	<p>Reducing environmental impacts across the entire value chain, from planning and construction to the operation of properties and projects:</p> <ul style="list-style-type: none"> Planning, development, construction, and management of sustainable properties Development and production of innovative construction materials with advanced environmental performance Promoting resource efficiency, reducing emissions, and minimizing waste across the value chain Preparing for climate change in the planning, development, and management of sites, while strengthening business continuity 			
<p>S Healthy and Safe Community Environment:</p>	<p>Creating a safe, fair, and healthy working environment for the Group's employees, subcontractors, and communities affected by the Group's activities:</p> <ul style="list-style-type: none"> Developing human capital through professional training, the promotion of women, the integration of diverse populations, and the improvement of workplace quality Ensuring the health and safety of employees and contractors across factories, construction sites, and income-producing properties Managing safety aspects and the impacts of the Group's activities on communities located near project sites Collaborating with neighboring communities through volunteer programs and social engagement initiatives 			
<p>G Ethical and Professional Business Environment</p>	<p>Embedding a culture of ethics, compliance, and transparency across all Group subsidiaries, while promoting high standards of corporate governance and responsible management.</p> <ul style="list-style-type: none"> Consistent implementation of the Code of Ethics, prevention of corruption and conflicts of interest, and the provision of periodic training and secure reporting channels Structured risk management, internal controls, and ongoing audits tailored to the Group's diverse operations in Israel and abroad Comprehensive ESG reporting, monitoring of targets, disclosure of material data, and active involvement of senior management in decision-making processes Responsible supply chain management, including the assessment of key suppliers, mitigation of operational risks, and the integration of ESG requirements 			

The strategy is implemented through dedicated work plans tailored to each of the Group's business segments. Ashtrom Group supports the [United Nations Sustainable Development Goals \(SDGs\)](#). For our alignment with the selected goals, see the Appendices to this report.

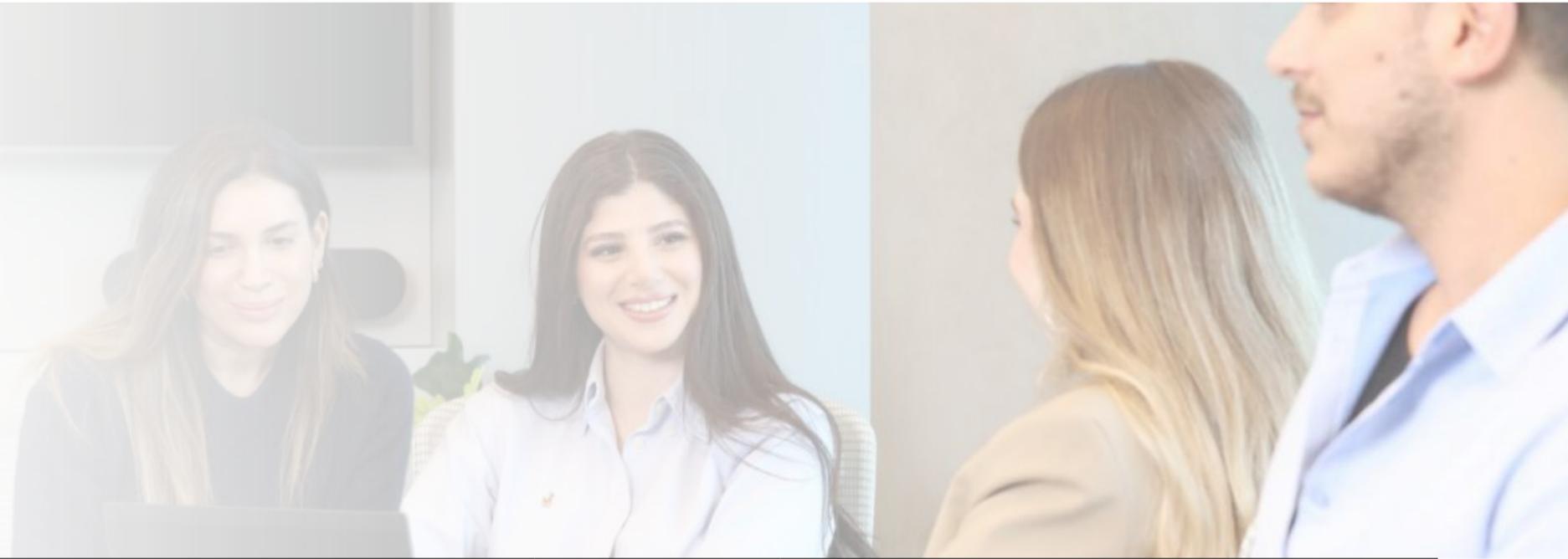
Ashtrom Group's ESG Targets



5. From the 2023 base year | 6. Calculated based on the previous year's net profit before tax, excluding one-off gains
 7. Material events in terms of the amount and scope of impact on Ashtrom Group's operations and reputation

Corporate Governance for Sustainability

Ashtrom Group believes in fostering a respectful, inclusive, and ethical organizational culture that supports sustainability. To ensure progress toward its ESG targets, the Group manages sustainability in a cross-organizational manner across all of its business segments, and conducts ongoing discussions and decision-making processes in accordance with the framework outlined below:



Committee Type	🎯 Objectives	🔄 Meeting Frequency	👤 Leadership & Composition
ESG in the Board of Directors	<ul style="list-style-type: none"> ← Update, progress report, and approval of the annual ESG report 	Once a year	<ul style="list-style-type: none"> ← Chairman of the Board of Directors
Senior Steering Committee	<ul style="list-style-type: none"> ← Monitoring the implementation of the strategy and the status of progress toward targets, and presenting the report to the Board of Directors ← Decision-making on key issues, budgets, etc 	Up to four times a year	<ul style="list-style-type: none"> ← Chairman of the Board of Directors ← CEO of the Group ← Deputy CEO
Working Groups to Promote Areas of Focus	<ul style="list-style-type: none"> ← Defining focus areas and goals within relevant domains ← Formulating work plans, allocating resources and tasks ← Monitoring progress 	Up to four times a year and ad hoc	<ul style="list-style-type: none"> ← CEOs of the Group's divisions ← Sustainability leaders across divisions ← ESG managers
ESG Managers	<ul style="list-style-type: none"> ← Ongoing management in line with the approved strategy ← Monitoring compliance with environmental and social goals in business activities ← Managing projects with relevant parties ← Raising considerations and opportunities to the management and the Board of Directors 	Ongoing	<ul style="list-style-type: none"> ← ESG Managers: ESG Leader – Deputy CEO ← Ongoing Management – CFO; Head of Sustainability and Innovation and Head of Environment

Planning, Construction and Management of Sustainable Properties

The construction and real estate sector has a direct impact on the environment – from the production of raw materials, through execution and construction processes, to the long-term operation of assets over many years. As a group operating across all stages of the value chain, Ashtrom Group bears responsibility for reducing the environmental impacts of its activities.

This chapter presents the Group's key action plans and initiatives for managing and reducing environmental impacts across the value chain, environmental performance data, and its efforts to prepare for and address the challenges of climate change.



Sustainable Environment

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Environmental Policy and Management

Environmental Policy

Ashtrom Group has established a unified **environmental policy** that defines the Group's guiding principles for reducing environmental impacts and managing natural resources responsibly. The policy applies to all Group subsidiaries and guides planning, production, construction, and asset operation processes. It also includes control mechanisms, implementation and reporting procedures, and a clear allocation of responsibilities among the operating companies.

As part of its environmental policy, the Group implements a range of principles and mechanisms aimed at reducing environmental impacts, including: reducing greenhouse gas emissions; preventing air pollution and contamination of water and soil; promoting efficient use of resources and raw materials; responsible waste management; safeguarding water quality; improving energy efficiency; and protecting sensitive areas and biodiversity.

Overall responsibility for the environmental domain rests with the Group's management, the CEOs of the business segments, and the relevant functions, who work to implement the policy and ensure compliance with regulatory requirements and environmental targets. The day-to-day management of environmental matters is carried out by managers within the Group's subsidiaries, under the supervision of the CEOs.

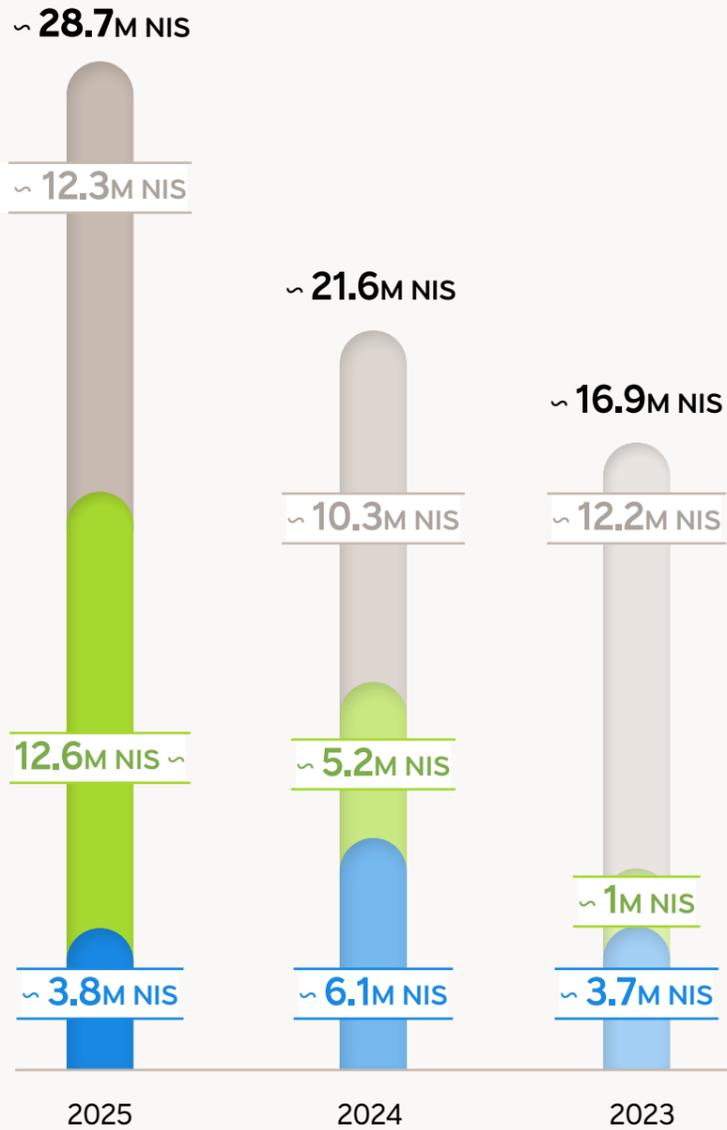


Environmental Management System, Monitoring and Reporting

The Group implements a structured process for environmental management, monitoring, control, and reporting, in close collaboration with relevant subject-matter experts – including fleet managers, operations managers, and others—to advance the established targets. The Group maintains a dedicated function responsible for managing environmental matters, which leads initiatives to improve the environmental performance of the Group's various business units and promotes projects that support the achievement of long-term targets.

As part of a broader initiative to upgrade environmental management systems across the Group's manufacturing facilities, Ashbond, a subsidiary of Ashtrom Industries, obtained ISO 14001:2015 certification in 2024. This certification reflects responsible environmental practices, including measures to prevent environmental harm, the setting of defined targets, the development of action plans, and compliance with applicable laws and standards. In addition, the Group is examining the expansion of the standard's implementation as part of its ongoing efforts to improve environmental performance and manage its resources responsibly.

Environmental Investments and Expenditures



- Ashtrom Industries
- Ashtrom Properties
- Ashtrom Contracting

Environmental Compliance

Ashtrom Group is committed to maintaining full compliance with applicable environmental laws, regulations, and standards governing its activities in Israel and abroad. The Group's environmental compliance system is based on structured work procedures, business licenses, emission permits, and ongoing reporting to the relevant authorities, in accordance with the characteristics of each business segment – manufacturing, construction, development, asset management, and energy.

The operating companies are responsible for implementing legal requirements at the site and plant level and for regularly reporting to Group management on deviations, incidents, and corrective actions.

We report emissions and maintain the required emission permits and business licenses in accordance with applicable legal requirements. Ashtrom Construction incurs environmental-related fines, primarily from local authorities, in negligible amounts.

Incidents of non-compliance concerning the health and safety impacts of products and services (GRI 416-2):

Subject	2023	2024	2025
Number of regulatory non-compliance incidents resulting in fines – Ashtrom Construction	162	74	131
Cases of non-compliance with voluntary commitments / codes	0	0	0

Environmental and Climate Risk Management

The Group is exposed to environmental risks that may arise, among other factors, from potential impacts on the terrain during construction activities, the environmental condition of the land, and the environmental impacts of its projects. Environmental risks may include, among others, noise, air pollution, soil contamination, pollution of water sources and underground infrastructure, exposure to and/or damage to archaeological sites and nature reserves, odor nuisances, dust, obstruction of views, and similar impacts.

The identification and mitigation of these risks are carried out through environmental impact assessments, early-stage planning, dedicated operational procedures, and ongoing monitoring at project sites and manufacturing facilities.

8. Scenario analysis was conducted in accordance with the IPCC scenario framework – the United Nations' leading scientific body for assessing the risks associated with human-induced climate change. As part of the assessments, three main scenarios were examined:

SSP1–2.6 – Moderate scenario: assumes that global warming slows toward meeting the 1.5°C–2°C warming target.

SSP2–4.5 – Intermediate scenario: an intermediate scenario assuming a gradual stabilization of greenhouse gas emissions as a result of the adoption of green technologies. This scenario is widely used as a benchmark for assessing organizational resilience to climate risks.

SSP3–7.0 – High-emissions scenario: used to evaluate extreme exposures and to present a more severe risk outlook regarding climate-related impacts.

All assessments indicated that the risks examined are not material; however, several areas for improvement and for strengthening climate resilience were identified. Ashtrom Group will continue to update these assessments and expand its scope to additional business segments.

Climate Risk Assessments Across the Group's Business Units

Ashtrom Group recognizes that risks and opportunities arising from climate change – both physical risks and transition risks – may affect its operations. Accordingly, the Group has integrated the principles of the Task Force on Climate-related Financial Disclosures (TCFD) into its risk management process, which includes identifying risks, assessing their potential impacts, and advancing mitigation and adaptation plans.

Over the past three years, Ashtrom Group has expanded its climate risk management process with the support of an external consulting firm:



In 2023, the Group conducted its first climate change risk assessment, and in 2025 a comprehensive assessment was carried out for properties in Israel and abroad. The assessment is based on advanced climate models and selected SSP scenarios, covering the time horizons of 2030, 2050, and 2080.

The findings indicate that certain properties are located in geographic areas with potential exposure to a consistent increase in heat stress, drought conditions, a higher frequency of extreme rainfall events and the formation of localized flooding hotspots, alongside increasing impacts from strong winds and storms.



In 2025, a climate change risk assessment was conducted for the first time. The assessment examined the potential impacts of climate change on project timelines, building envelope design, drainage infrastructure, and climate-related regulatory requirements.



In 2024, a survey was conducted that included mapping risks based on the location of all existing properties and properties under planning, analyzing impacts on infrastructure availability, reviewing regional climate projections, and assessing potential impacts on residents.



Ashtrom Renewable Energy conducted a climate risk assessment for its flagship project, Tierra Bonita in Texas, USA. The assessment examined physical risks (strong winds, extreme heat, drought, and severe weather events) as well as transition risks (potential regulatory changes in the United States).

Organizational Responsibility Framework

The management of this area within the Group is carried out at the level of the business segments, under the supervision of the Group headquarters:

- The CEOs of the different divisions lead the implementation of the climate risk assessments.
- The Group's Chief Financial Officer (CFO) is responsible for evaluating the financial implications of material climate change risks, where identified.
- The Head of Sustainability and Innovation professionally leads the climate risk assessment process across the Group.

Management Process | Mapping, Analysis, Scenario Assessment and Implementation

In each business segment, a comprehensive process is conducted, comprising the following stages:



In-depth analysis of risk impacts

The assessment of likelihood, magnitude of impact, time horizon (short, medium, and long-term), and operational and financial sensitivity.



Climate Scenario Assessment

Use of three climate scenarios (SSP) across three time horizons – 2030, 2050, and 2080 – to assess potential increases in temperatures, changes in precipitation patterns, and the frequency of extreme weather events.



Action Plan Development

Formulation of risk mitigation and adaptation measures tailored to each business segment and its projects.



Risk Mapping

Collection of data on physical risks and transition risks.

Identification of Financial Impacts and Opportunities

– Assessment of potential financial impacts, including operational costs, insurance, material availability, project timelines, returns on income-producing assets, and project valuations.



Management Review

Presentation of the findings to the divisions' management teams, receipt of feedback, validation of the findings, and formulation of recommendations for implementation.

Macro Risk Management and Insurance Against Extreme Events

The Group conducts macro-level risk assessments of climate risks and natural disasters that may affect its sites. The most significant among these are weather-related damages and earthquakes, which may cause damage to the Group's properties and facilities.

It should be noted that, in accordance with standard insurance policies in Israel, subsidiaries within the Ashtrom Group are insured against earthquake risks under customary policies in Israel, subject to the deductible applicable in the event of earthquake-related damages.

Climate Change Risk Assessment | Real Estate Development and Property Management (Ashtrom Properties, Ashtrom Residences for Rent, and Ashtrom Residences) (GRI 201-2):

The following selected risks were reviewed. None were assessed as material.

Transition Risks

Risk	Potential Impact	Time Horizon	Mitigation Measures
Tightening of regulatory requirements for green building standards and energy consumption	<ul style="list-style-type: none"> Increase in planning, construction, and operational costs Upgrading existing properties Impact on building permits and planning timelines 	Medium–Long Term	Implementation of green building standards, including Israeli Standard 5281 (with a target of 3 stars), LEED and BREEAM in new projects, and LEED O+M and BREEAM In–Use in existing projects.
Changes in demand for resilient and sustainable buildings	<ul style="list-style-type: none"> Impact on property value and marketability Need for advanced architectural planning 	Medium–Long Term	<ul style="list-style-type: none"> Assessment of expanding the integration of climate scenarios into planning processes Evaluation of the existing level of green building performance and the adjustments required to comply with green building standards (Israeli Standard 5281, LEED, BREEAM) when acquiring properties, including upgrade costs and the potential long–term impact on property value
Increase in energy costs	Potential impact on long–term profitability, including risks related to tenants and ongoing operating expenses	Medium–Long Term	Energy–efficient planning and improvements in existing and planned properties. See further details in the Energy Efficiency section below
Market requirements for environmental transparency and reporting	Failure to meet market requirements may affect the terms and cost of financing, attractiveness to buyers and tenants, external ratings, as well as operational and reporting costs	Medium–Long Term	Strengthening reporting processes and alignment with environmental regulations
Changes in insurance policies	Increase in insurance deductibles or higher premiums for coverage against natural disasters	Short–Long Term	Periodic review of insurance policies to ensure coverage for both direct and indirect climate–related risks

Physical Risks

⚠ Risk	✂ Potential Impact	🕒 Time Horizon	🌡 Mitigation Measures
Extreme heat stress, heavy precipitation, flooding, and strong winds	<ul style="list-style-type: none"> Impact on quality of life in the properties Impact on planning and construction timelines Damage to infrastructure and development areas 	Short–medium term, with potential for escalation over the long term	<ul style="list-style-type: none"> 🌧 Planning and upgrading drainage infrastructure 🏠 Adapting building envelopes to improve thermal insulation and withstand heat stress 🏠 Implementation of shading solutions ⚡ Adapting materials and construction methods to weather conditions 📅 Adjusting construction schedules in accordance with climate forecasts 📋 Integrating early-stage engineering assessments for each project 🔧 Upgrading energy systems and monitoring to strengthen climate resilience

Climate Change Risk Assessment – Renewable Energy

As part of the climate change risk assessment, we have identified transition risks and physical risks with the potential to impact land availability, project timelines, construction costs, operational stability, and the continuity of electricity generation.

Transition risks include, among others, stricter regulatory requirements and disclosure obligations, exposure to carbon pricing mechanisms, volatility in the equipment supply chain, dependence on procurement agreements and suppliers, and limitations related to grid capacity and stability.

At the same time, physical risks were identified as a result of extreme weather events such as strong winds, hail, storms, and heavy rainfall, as well as heat stress that may affect system efficiency and working conditions. In addition, there is a risk of operational disruptions due to failures in the local electricity grid.

To address these risks, mitigation and adaptation measures are being developed and implemented, including engineering design tailored to extreme climate conditions, selection of highly resilient equipment, deployment of advanced monitoring and control systems, and preparation for complementary solutions such as energy storage. These measures are intended to strengthen project resilience, reduce climate-related exposures, and ensure stable and reliable production in the short, medium, and long term.



Ashtrom Group's Carbon Footprint

Carbon Emissions Calculation Methodology

The Group's carbon emissions calculation methodology for Scopes 1, 2, and 3 is carried out in accordance with the GHG Protocol. The calculation is based on actual consumption data recorded in the Group's ERP financial data management system and other internal systems, using information derived from invoices during the reporting year. For the calculation of greenhouse gas emissions, the Group uses updated emission factors from DEFRA, as well as emission factors from the Israeli Pollutant Release and Transfer Register (PRTR) and Carbondi – a platform for calculating and managing carbon footprint based on widely accepted international methodologies.

Each business division within the Group applies a dedicated emissions calculation methodology, reflecting the nature of its operations. In the case of Ashtrom Properties, a methodology has been developed that takes into account properties relevant for reporting in accordance with the Control Approach. This methodology is based on the GHG Protocol, as well as GRESB guidelines and applicable accounting standards, and is detailed in internal work procedures.

Calculations of energy intensity, carbon intensity, and water intensity are performed separately for each of the Group's business divisions, in accordance with the characteristics of their respective activities. In most divisions, the calculations are based on the built-up area in Sqm.

9. Affairs Rural & Food ,Environment for Department

10. Pollutant Release and Transfer Register (PRTR) of the Ministry of Environmental Protection

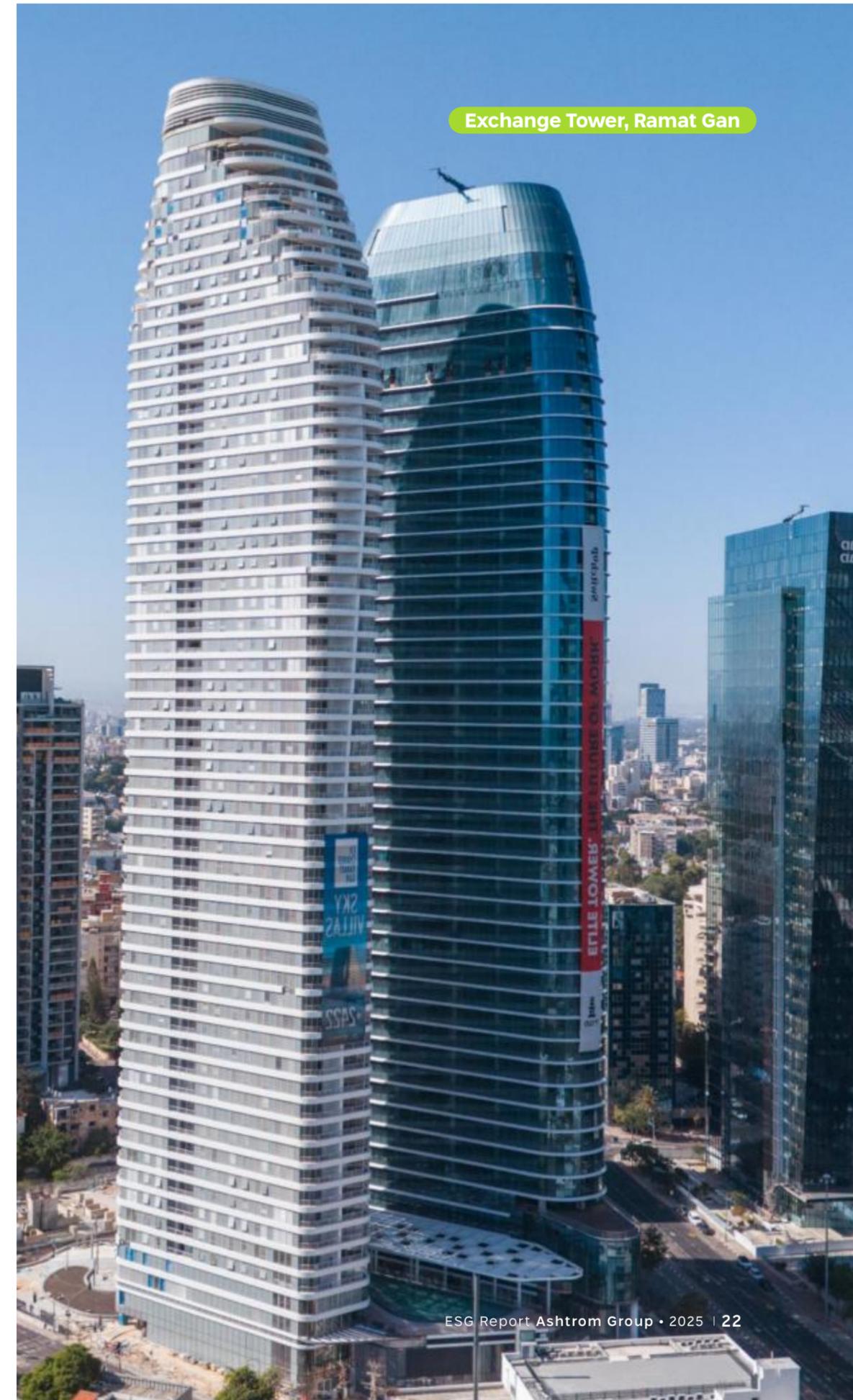
For Ashtrom Construction and Ashtrom Industries, intensity metrics are calculated in accordance with the nature of each entity's activities. For some entities, this includes production volumes (e.g., tons produced), areas of finished products and/or sales volumes, and in certain cases, financial metrics measured in NIS.

Ashtrom Group's overall intensity is calculated as a revenue-weighted aggregation of the intensity metrics of the various business divisions, according to their share of the Group's revenues.

Organizational responsibility for collecting emissions data within the Ashtrom Group is decentralized among designated ESG representatives. Data consolidation, quality control, and assurance are carried out by the Group's Head of Environmental Management and the Group's ESG management.

Energy source data used for emissions calculations is collected several times a year from all business segments and cross-checked against multiple information sources. The data are reviewed over time, and analytical reviews and consistency checks are conducted across the Group's divisions. In cases of significant deviations in consumption, an investigation is initiated with the reporting entity, and corrective actions are defined.

The data does not include – consistent with all disclosures presented in this report – entities and/or projects in which Ashtrom Group holds less than a 50% ownership interest, or entities and projects with negligible activity, except for material properties.



Exchange Tower, Ramat Gan

Ashtrom Group's Decarbonization Plan

As part of its climate change preparedness efforts, the Group has begun developing a decarbonization plan focused on reducing Scope 1 and Scope 2 emissions in line with the targets defined, including interim milestones on the path to achieving long-term goals.

The Group adopted 2023 as the base year for its decarbonization targets, based on data availability and the implementation of a consistent, standardized data collection methodology.

Ashtrom Group has adopted a decarbonization strategy that includes measurable targets for reducing emissions.

Long-term target

Net Zero

Carbon neutrality
in Scopes 1 and 2
by 2050

50 ↓

reduction in
Scope 1 and Scope 2 emissions
by 2040

Interim Targets

20%

electric, hybrid, or plug-in vehicles across the Group's vehicle fleet

by 2035

30%

electric, hybrid, or plug-in vehicles across the Group's vehicle fleet

by 2040

75%

of electricity consumption from renewable energy in material income-producing properties

by 2040



Greenhouse Gas Emissions Reduction Initiatives

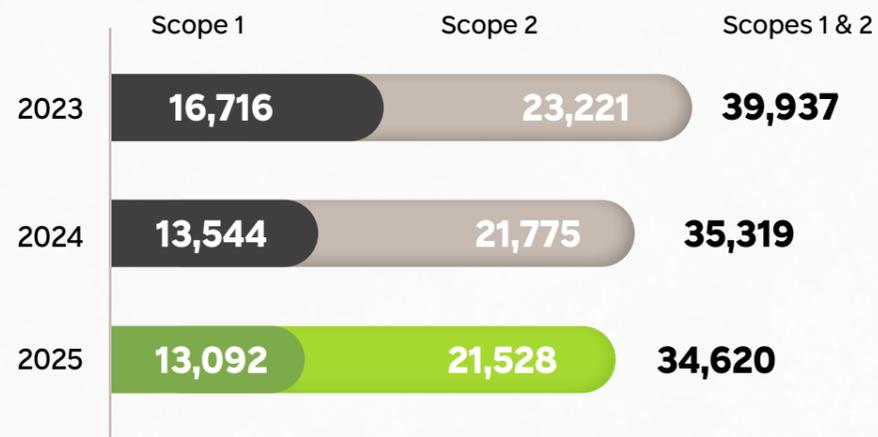
The Group promotes a range of initiatives across all business segments, including operational and technological measures aimed at reducing energy and fuel consumption, improving efficiency, and, where possible, minimizing the use of emission-intensive raw materials. The following are the key initiatives advanced during 2025:

- **Design of new plants with enhanced energy efficiency** and implementation of energy efficiency improvements in existing facilities.
- **Gradual transition to electric heavy equipment** (construction machinery) in plants and project sites, resulting in **savings of more than 17,000 liters** of diesel in 2025 compared to 2024.
- Ashtrom Properties Germany signed a **contract to purchase electricity from renewable energy sources** for its annual electricity consumption, a move expected to reduce emissions by approximately 930 tons of CO₂e per year.
- **Gradual disconnection and removal of gas** supply in three properties in the UK, and the use of biogas in one property, supported by RGGO certificates.
- **Energy efficiency projects**, including the transition to LED lighting, the implementation of high-efficiency heat pumps for water heating, and the installation of energy-efficient air conditioning systems.
- **Expansion of hybrid, plug-in, and electric vehicles** in the fleet, in line with the interim targets, resulting in a 9% reduction in fuel consumption per vehicle between 2024 and 2025.

Carbon Footprint Data

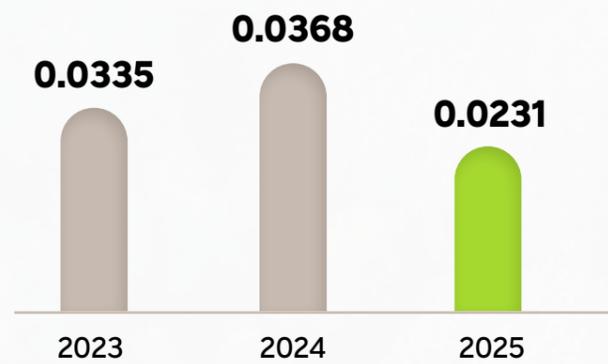
Ashtrom Group's carbon footprint data related to energy consumption in Scope 1 (direct fuel consumption) and Scope 2 (indirect consumption through purchased electricity) indicate a decrease of approximately 13% in total emissions between 2023 and 2025.

Carbon Emissions in Scopes 1–2, 2023–2025
(GRI 305–1, 305–2 tCO²e)



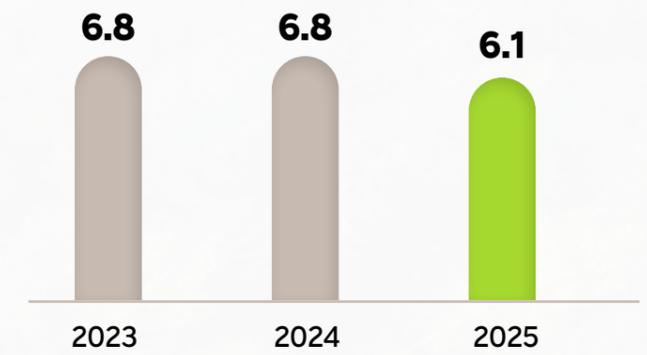
13% ↓ between 2023 and 2025

Carbon Intensity, 2023–2025
(tCO²e per area/production, GRI 305–4)

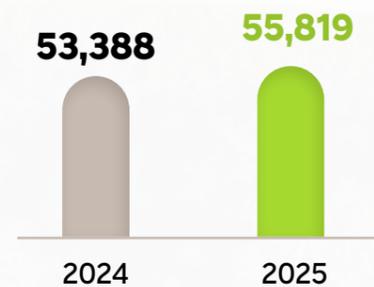


31% ↓ between 2023 and 2025

Carbon Intensity, 2023–2025
(tCO²e per NIS million of revenue, GRI 305–4)



Total Carbon Emissions Across All Scopes, 2024–2025
(tCO²e, GRI 305–1–3)



BG Bond – Air Emissions

Air Emissions, 2023–2025 (GRI 305–7):

Subject	2023	2024	2025
NOX (Kg)	755	664	598
PM (Kg)	85	111	110
NM VOC (Kg)	163	160	147
Styrene (Kg)	3	4	1
SOX (Kg)	0	0	21

11. In 2025, the Group continued to improve and refine the quality of the data collected on electricity and water consumption, in accordance with the established methodology. Accordingly, the data for 2023 and 2024 were updated.

Indirect Emissions – Scope 3

In 2024, the Group published its Scope 3 data for the first time, reflecting Ashtrom Group's indirect carbon footprint across its value chain. The initial report included four main categories: 3, 6, 7 and 9. During 2025, we expanded our reporting to include Category 5.

The categories included in the report represent the Group's main areas of activity in relation to indirect emissions: resource consumption, product transportation, and employee travel. This analysis enabled the establishment of an initial data framework, with the aim of developing a gradual and more comprehensive reporting process.

The Group aims to report Scope 3 emissions transparently on an annual basis, to assess the expansion of reporting to additional categories, and to deepen the analysis of emission sources in order to ensure continuous improvement in the management of its carbon footprint.

¹². Refers to the products of the following companies: Israbeton, Ashbond, Ashkalit, Sorek Quarrying Ltd., and Netivei Edomite (2011) Ltd.

Category 3

Fuel and Energy-Related Activities

Upstream emissions arising from the consumption of electricity and fuels in the Group's facilities and operations



Category 6

Business Travel

Emissions generated from employees' business travel by air



Category 7

Employee Commuting (Excluding Company Vehicles)

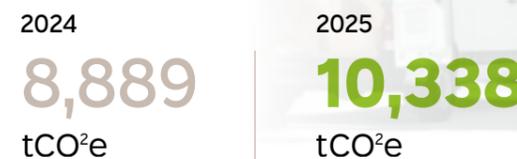
Indirect emissions resulting from employees' commuting



Category 9

Downstream Transportation and Distribution¹²

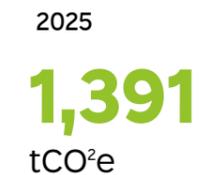
Indirect emissions generated from the downstream transportation of products to customers



Category 5

Waste Generated in Operations

Emissions arising from the treatment of waste generated by the Group's ongoing operations, including recycling and landfill



Added in 2025

Total Indirect Emissions Scope 3

18,069 tCO²e in 2024

21,199 tCO²e in 2025

Management of Environmental Impacts Across the Value Chain



Production and Marketing of Construction Materials

- **Ashtrom Industries** conducts EPD (Environmental Product Declaration) processes for its leading products by **Israbeton**, **BG Bond**, and **Ashbond**.
- **Ashtrom Industries** promotes research and development programs aimed at reducing the carbon footprint of concrete mixes and finishing materials.
- Integration of recycled materials in products manufactured by **Ashtrom Industries** and **Drachim**.
- **Ashtrom Industries** promotes energy efficiency initiatives across its manufacturing facilities, both through the planning and development of new energy-efficient plants at BG Bond and through the gradual transition to electric heavy equipment (construction machinery) at its concrete plants.
- Membership in the Israel Green Building Council.

13. BG (Israel) Technologies Ltd.

14. Ashbond Ltd.



Development and Planning of Properties

- **Ashtrom Residences**, **Ashtrom Properties**, and **Ashtrom Residences for Rent** initiate and market residential buildings for sale and rent, office buildings, and commercial and industrial complexes across Israel, in accordance with Israeli and international green building standards.
- **Ashtrom Properties** promotes the planning of commercial buildings targeting LEED Gold certification and above.



Construction and Infrastructure

- **Ashtrom Construction** carries out construction projects in accordance with Israeli and international building standards, including Israeli Green Building Standard 5281, depending on the nature and type of each project.
- Construction waste generated at Ashtrom Construction sites is transferred to suppliers who, as part of their services, transport it to authorized facilities for recycling.



Properties Management

- **Ashtrom Properties**, **Ashtrom Residences for Rent**, **Ashtrom Concessions**, and **Ashtrom International** manage residential, commercial, and industrial properties in Israel and abroad. They work to improve and optimize management practices, with an emphasis on reducing environmental impacts, promoting energy efficiency, and obtaining international environmental certifications for property operations, where relevant.



Renewable Energy

- **Ashtrom Renewable Energy** advances renewable energy projects in Israel (including on selected rooftops of Group properties). In the United States, Ashtrom Renewable Energy operates a solar facility in West Texas spanning approximately 9,000 dunams, with a generation capacity of approximately 399 MWdc, and is expected to reduce greenhouse gas emissions by approximately 400 thousand tCO₂e per year.
- Ashtrom Renewable Energy continues to advance the construction of the El Patrimonio solar facility, which is expected to generate approximately 170 MW and reduce greenhouse gas emissions by approximately 193 thousand tCO₂e per year, while simultaneously developing and initiating three additional projects.

Sustainable Construction Materials

Green Framework Program for Construction Materials by Ashtrom Industries

Ashtrom Industries invests in the development of construction solutions that reduce environmental impacts and improve energy efficiency, such as solvent-free sealing products and gypsum blocks with high thermal insulation. It also conducts Life Cycle Assessments (LCA), reduces emissions during production stages, optimizes the use of raw materials, integrates recycled materials, and develops products with a reduced environmental impact throughout their life cycle.

Ashtrom Industries and Ashbond were awarded the Platinum Standard Mark for 2024 – a recognition of excellence and quality.

Ashtrom Industries received the Platinum Standard Mark from the Standards Institution of Israel for 2024, in recognition of holding 11 permits to mark products with the Israeli Standard Mark (in accordance with SI 118). Ashbond was also awarded this prestigious mark for 2024.



Israbeton

9 plants nationwide for the production and supply of a wide range of concrete and mortar products for the construction industry.

Green Certification

Israbeton advanced an EPD process for 4 leading concrete mixes.



Ashkalit 268

A leading importer of cement-based autoclaved aerated concrete (AAC) blocks, offering high-performance insulation against extreme temperatures, noise, and moisture.

Green Certification

More than 80% of Ashkalit's products carry a standards certification mark.



Ashbond

Manufacturing and marketing of gypsum blocks and complementary products that enhance efficiency and significantly reduce construction timelines.

Green Certification

- ★ 100% of Ashbond's products hold a Green Label certification
- ★ 100% of Ashbond's products have completed an EPD process



BG BOND

Development, manufacturing, and marketing of a wide range of paints, finishing products, and advanced waterproofing solutions for the construction industry.

Green Certification

- ★ More than 90% of the paint products of SIMPLY by BG Bond carry a Green Label certification.
- ★ Most of BG Bond products hold a Green Label.
- ★ BG Bond has completed an EPD process for 19 of its products.

Program to Promote Research and Technology for Innovative and Breakthrough Developments and Applications

Ashtrom Industries invests significant resources in research, development, and the acquisition of innovative and breakthrough solutions in the construction sector, recognizing innovation as a key driver of long-term success and sustainability.

As part of this effort, Ashtrom Industries leads a multi-year research and development program that combines engineering expertise, collaboration with academia and technology companies, insights from field operations, and ongoing dialogue with customers, developers, regulators, and contractors.

Within this program, the Ashtrom Industries team advances scientific research, materials development, engineering assessments, field trials, performance monitoring, and periodic reporting to the Group management. This framework helps ensure that each new development is supported by empirical data, tested over time, and aligned with the technological and environmental needs of the industry.

The research and development program is supported by broad collaboration

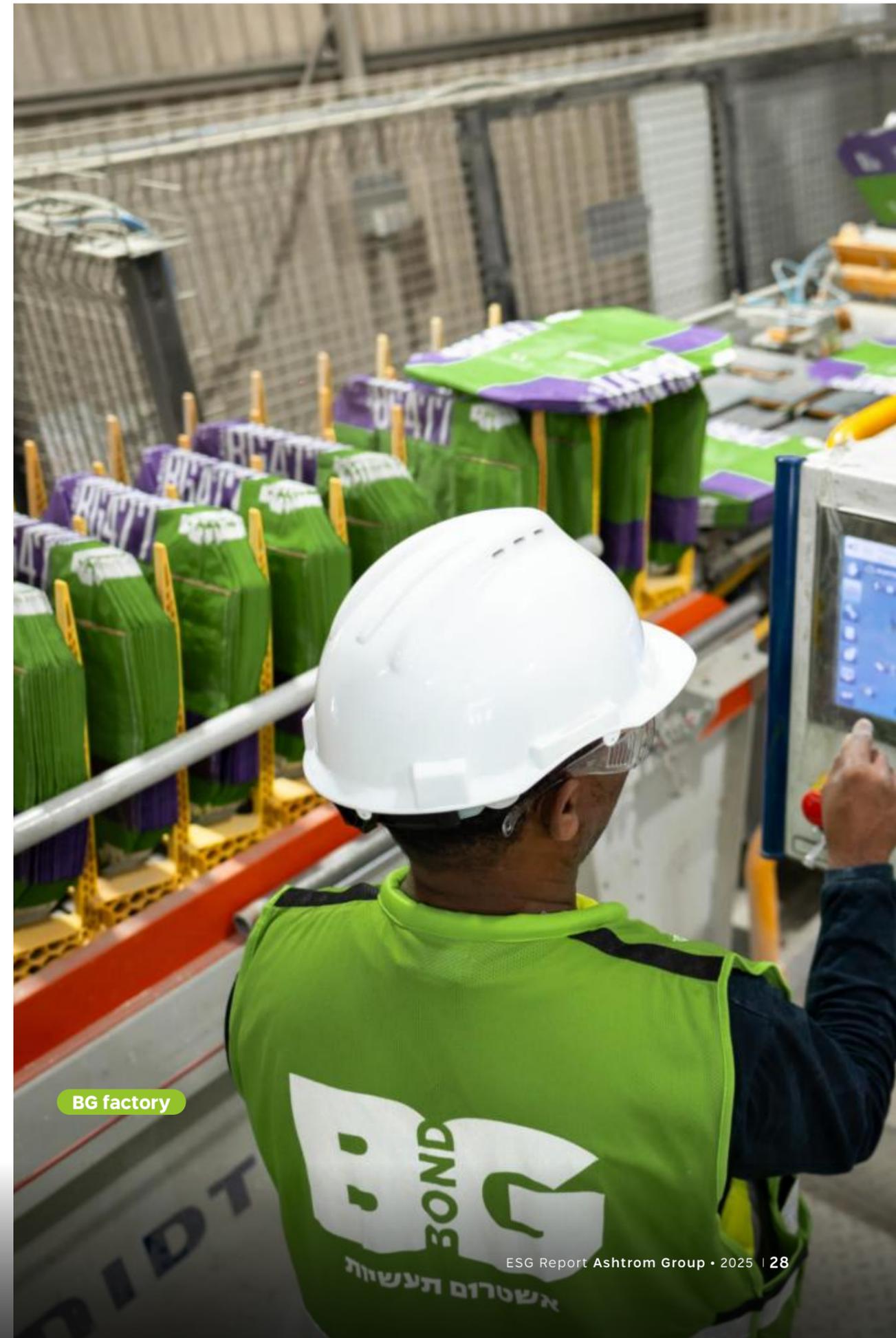
with a range of stakeholders, including developers, engineers, architects, contractors, academic researchers, regulators, and standards institutions, who are involved at various stages of the development process. These collaborations enable the adaptation of materials and working methods across a variety of applications, intending to provide effective responses and solutions to needs arising from the field.

Professional conferences such as the “Ashtrom Industries Construction Faculty” provide an additional platform for monitoring industry trends and gaining insights from professionals, which in turn inform the R&D programs of the entities within Ashtrom Industries Group.

This year, two conferences were held, with a focus on innovation in construction materials, technological challenges emerging from the field, and connections between industry and academia, among other topics. In addition, approximately 30 hours of training were provided to foreign workers on the safe and high-quality use of materials manufactured and marketed by Ashtrom Industries.

The main focus areas of the program include:

- **Development of lower-emission materials** – transition to new formulations, clinker reduction, use of recycled materials, compliance with green building standards, and development of solutions that directly contribute to reducing energy consumption in buildings.
- **Improving building performance throughout the life cycle** – advanced thermal insulation, lightweight materials, and solutions that reduce maintenance needs over time.



BG factory

Innovative Sustainable Materials

Ashkalit Logistics Center



Israbeton

- Development of Controlled Low Strength Material (CLSM) concrete, utilizing local clay soil and reducing the need for traditional fill materials
- Use of low-carbon cement
- Promotion of academic research in the field of circular economy
- Development of ISRA-TERMI, providing insulation solutions aligned with green building principles – durable, energy-saving, and designed to improve energy efficiency



Ashbond

- Green Bond construction block, patented in 2024 and launched in 2025, combines thermal and energy efficiency, reduces carbon emissions, improves construction processes, and contributes to a healthier living environment.



BG BOND

- Development of **Nano Cooling plaster** in collaboration with Super Polymer, designed to deliver high durability and improved environmental performance
- Development of **WOW SIMPLY** – a premium water-based acrylic paint free from harmful substances, with a silk finish for interior and exterior use. The product offers high quality, washability, resistance to heavy scrubbing, strong covering capacity, and long-lasting durability



Ashkalit 268

- **NANO THERM** – a waterproofing membrane providing exceptional thermal insulation
- **MINERAL TIGER** – a water-repellent mineral wool membrane designed for insulating exterior walls built using a ventilated facade system
- **THERMA GLASS** – a tempered glass board offering enhanced insulation and waterproofing
- **FIRETOP** – a lightweight board made of concrete and polystyrene, designed for wall insulation and reducing thermal bridging



Israbeton Concrete Laboratory



Initiative to Promote the Use of Low-Carbon Cement – Israbeton as a Pioneer in Israel

Israbeton is advancing the local construction sector through the import and use of low-carbon cement, including CEM II/A-L and CEM II/B-M types. These blends are distinguished by their reduced clinker content and the integration of environmentally friendly materials such as limestone. As a result, they exhibit a lower carbon footprint (up to 8% reduction), as verified through an Environmental Product Declaration (EPD).

Beyond their environmental benefits, these blends demonstrate high resistance to carbonation and chloride penetration, ensuring long-term structural stability even under demanding conditions. Strength tests indicate performance comparable to – and in some cases superior to – traditional cement blends currently in use.



Adoption of Super Polymer Technology for the Development of Advanced Construction Materials

As part of its strategic vision to advance sustainable construction materials, Ashtrum Group invested in Super Polymer Ltd. (“Super Polymer”). BG Bond is working to optimize the Super Polymer’s polymer-based formulations and products to develop advanced, sustainable materials for a wide range of applications, including Nano Cooling plaster.

Super Polymer has developed a technology for producing high-durability polymers that support energy savings. One of the key advantages of this technology is its thermal insulation capability, combined with the use of recycled materials, thereby reducing dependence on virgin raw materials.

For Ashtrum Group, this technology opens new possibilities in the field of construction materials, as it enables the development of structures that support energy savings. The technology is not limited to the construction market and may also contribute to additional sectors that incorporate polymer-based applications, thereby extending the broader impact of our green solutions.

Green Building and Compliance with Israeli and International Standards

Ashtrom Group seeks, where feasible, to incorporate green building principles into the projects it develops, constructs, and manages. The Group acts in accordance with green building standards in Israel and internationally, while evaluating planning approaches, material integration, and environmental management solutions to reduce the environmental footprint of buildings over their life cycle.

Ashtrom Residences advances projects in accordance with the Israeli Green Building Standard 5281 and aims to expand implementation toward a three-star rating and above. As part of its efforts to reduce the environmental impact of its projects, Ashtrom Residences encourages the use of materials with a lower carbon footprint and examines the integration of recycled materials in construction processes. In addition, it seeks, where possible, to select materials with Environmental Product Declarations (EPDs) to ensure greater building durability and promote sustainability principles.

Ashtrom Residences for Rent promotes effective stormwater management by increasing infiltration areas across its projects. These measures help reduce pressure on urban drainage infrastructure, mitigate flood risk, and improve the performance of environmental systems. Their implementation strengthens the urban environment's resilience to rainfall events and helps reduce damage to public infrastructure.

Ashtrom Properties promotes a holistic approach that combines sustainability and innovation, with the aim of providing tenants with an improved working and living environment, while emphasizing environmental quality and tenant well-being. This approach includes the integration of green spaces, smart management systems, and advanced maintenance practices, supporting a healthy and sustainable living environment.

As part of its commitment to sustainability, Ashtrom Properties published its first ESG report in 2025, providing a comprehensive overview of its activities and targets in this field. In 2026, Ashtrom Properties is expected to publish its second ESG report, which will further deepen and expand the company's disclosure on environmental, social, and governance matters.

In line with the Group's objectives, Ashtrom Properties works to promote compliance with green building standards across existing properties and new projects, including the U.S. LEED standard, the U.K. BREEAM standard, and the Israeli Green Building Standard. The properties are managed in accordance with stringent standards, including the implementation of sustainable construction methods and solutions, while supporting a healthy working environment.



Green Building Standards Across Ashtrom Properties' Portfolio



LEED

Buildings with Preliminary Certification

- RISHO, HaElef Complex, Rishon LeZion – LEED Gold (Planning Stage, Phase A)

Buildings Targeting Green Building Certification

- Building C, LYFE Towers – Targeting LEED Gold certification
- HaYetzira Complex, Ramat Gan – Targeting LEED Gold certification (under review for upgrade to LEED Platinum)
- OLIO, Bat Yam – Targeting LEED Gold certification
- The Capital, Jerusalem – Targeting LEED Silver certification (under review for upgrade to LEED Gold)
- Hi-Tech Park, Hod HaSharon – Building B – Targeting LEED Gold certification
- Ashtrom Campus, Yavne – Targeting LEED Gold certification
- LYFE, Bat Yam – Targeting LEED Gold certification



BREEAM

Existing Buildings

- No. 8 First Street, Manchester – Certified BREEAM Excellent and rated A under the EPC (Energy Performance Certificate).

- Central Square Office Building, Leeds, Yorkshire – Certified BREEAM Outstanding and rated A under the EPC.

- New Building, Euskirchen, Germany – Developed in accordance with BREEAM standards, with certification expected in 2026.

Buildings Under Renovation

- Gate Colmore, Birmingham – Renovation works commenced in 2025, targeting WELL certification, BREEAM Excellent, Core & Shell Platinum, and a 5-Star NABERS UK rating.



LEED O&M BREEAM IN USE

Existing Buildings

- Beit HaGavish, Netanya (office areas) – LEED Gold (Operations & Maintenance) certified.

- TLV Port Complex – LEED Platinum (Operations & Maintenance) certified.

- Hod HaSharon Towers and other Port complexes – Currently undergoing green building certification processes.

- All Properties in Germany – comprising 14 buildings, hold BREEAM certification, of which 7 properties are rated BREEAM Very Good.

- Fourways House, Manchester – Certified BREEAM Very Good and rated B under the EPC.

Recently acquired



DGNB

Existing Buildings

- In 2025, three DGNB Gold certification processes were initiated for specific projects: Leipzig (refurbishment), Leipzig (operation), and Meerbusch (operation).



Israeli Green Building Standard

Existing Buildings

- Building A & B, LYFE Project – Two –Star certification under the Israeli Green Building Standard (IS 5281).



LYFE Towers, Bnei Brak

Energy Management at Ashtrom Group

Ashtrom Group integrates mitigation measures to reduce energy consumption and greenhouse gas emissions alongside adaptation measures aimed at strengthening energy resilience across its sites, in light of climate change, and to improve overall operational efficiency. This approach is implemented across all Group divisions, while being adapted to the geographic, regulatory, and operational characteristics of each division, property, or site.

Energy management includes the ongoing mapping of material energy consumers, the identification of opportunities for efficiency improvements, and the monitoring of performance over time. At the same time, initiatives are prioritized based on technical and economic feasibility, savings potential, and expected environmental benefits.

Energy Consumption

Energy Consumption, 2023–2025 (GRI 302–1, 302–3, GJ)

Topic	2023	2024	2025
Energy Intensity (GJ per ton of production / area)	0.3443	0.3914	0.2046
Energy Intensity (GJ per NIS million of revenue)	72.8	68.8	65.1

41% reduction in energy intensity by type of activity between 2023 and 2025

Total Electricity Consumption (kWh)	42,786,582	38,847,295	42,571,472
Total Electricity Consumption (GJ)	154,032	139,850	153,257
Total Fuel Consumption¹⁵ (GJ)	263,877	216,051	197,428
Total Heat Consumption (GJ)	12,367	13,288	15,792
Total Energy Consumption (GJ) (excluding electricity sold)	430,276	369,189	366,477

¹⁵ The diesel used for backup generators at Ashtrom Residences for Rent sites is negligible in its impact on the total fuel consumption.

15% in total energy consumption between 2023 and 2025

Initiatives for Implementing Energy Reduction Measures Across the Value Chain



Production and Marketing of Construction Materials

- Planning and Establishment of Energy-Efficient Plants:
 - Full mechanization and automation of production and packaging lines
 - Reduction of energy consumption in raw material processing and storage processes
 - Establishment of an advanced plaster production unit equipped with energy-efficient systems
 - Significant reduction in transportation following the relocation of logistics operations to the plant site
- Transition to electric heavy machinery in concrete plants



Property Development and Planning

- Use of BIM platforms contributing to resource optimization and energy savings
- Integration of energy considerations at the planning stage, including:
 - Use of natural lighting through advanced shading solutions
 - Glazing of openings to improve thermal and acoustic insulation
 - Integration of insulated facades to reduce energy consumption for heating and cooling
 - Installation of solar water heating systems complemented by heat pumps
 - Use of environmentally friendly refrigerants



Construction and Infrastructure

Optimized planning of storage and logistics locations at construction sites, reducing travel distances for heavy vehicles and the transportation of raw materials. This approach lowers fuel consumption and reduces emission



Property Management

- Implementation of energy management and monitoring systems
- Installation of energy-efficient lighting (LED)
- Upgrading to advanced chillers and cooling systems (VRF)
- Installation of rooftop solar panels
- Installation of infrastructure for electric vehicle charging stations
- Electricity consumption from renewable energy sources
- Installation of smart meters for monitoring and controlling energy consumption



Renewable Energy

- Installation of solar energy systems across properties
- Development of diverse renewable energy projects in Israel and abroad
- Establishment of energy storage infrastructure



TIERRA BONITA • Texas, United States



In operation

402 MWdc



Under construction

199 MWdc



Under development

642 MWdc



In Development

293 MWdc

Total solar
1,536 MWdc

Renewable Energy Generation

Ashtram Renewable Energy operates as an independent power producer (IPP) specializing in the development, financing, procurement, and operation of large-scale projects in Israel and internationally. The division's activities include the full lifecycle management of projects, starting from the development stage, to minimize the environmental impact of its projects.

Solar Energy in Israel and Worldwide

During 2024, **Ashtram Renewable Energy** launched the operation of the **Tierra Bonita** solar facility in Pecos County, West Texas. In 2025, construction commenced on an additional solar facility, **El Patrimonio**, near San Antonio, Texas, which is expected to provide approximately 195 MW of capacity.

Ashtram Renewable Energy is also developing additional projects in the United States, including solar projects such as Whitethorn and Larea in Texas and Soles Rest in Idaho, as well as Battery Energy Storage Systems (BESS) in Texas, located in proximity to some of the solar projects. In addition, Ashtram Renewable Energy is developing solar and energy storage projects in Israel and is currently constructing and operating eight additional solar facilities.

Ashtram Renewable Energy is also advancing a photovoltaic facility combined with energy storage in Ramat Magshimim, in the Golan Heights (as part of National Infrastructure Plan 173 – TATAL 173). The project, led by Ashtram Renewable Energy together with third parties, is expected to generate approximately 250 MW of capacity and 600 MWh of storage, across an area of approximately 2,200 dunams.

Energy Storage

Energy storage helps address challenges related to meeting the needs of the electricity grid and stabilizing its operation, while creating energy reserves for periods of peak electricity demand. Ashtram Renewable Energy is advancing several energy storage projects that are currently at various stages of development.

1,175 MWh **Energy Storage - In Development**



The fast lanes

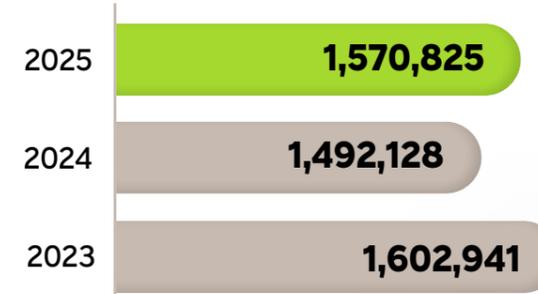
Fuel Consumption from Employee Transportation

In 2024, the Group set targets to expand its fleet of low-emission vehicles, including hybrid, plug-in hybrid, electric, and other alternative-fuel vehicles. The first target was set for 2035 and relates to achieving a 20% share of low-emission vehicles out of the total private vehicle fleet.

During 2025, the Group made significant progress toward this target. As of the end of 2025, low-emission vehicles accounted for 18% of the private vehicle fleet. In addition, the Group maintains an efficient and ongoing vehicle maintenance program in order to reduce or prevent its environmental impacts.

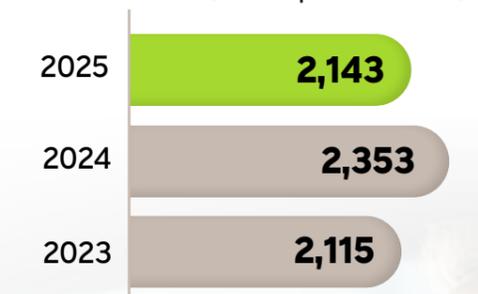
Total Fuel Consumption for Private Vehicles, 2023–2025 (Liters, GRI 302–1)

Total gasoline consumption¹⁶ (liters)



2% ↓ between 2023 and 2025

Fuel consumption intensity for vehicles (liters per vehicle)



9% ↓ between 2024 and 2025



Share of Hybrid Vehicles in the Private Vehicle Fleet

10% 2023 **12%** 2024 **18%** 2025

50% ↑ between 2024 and 2025

¹⁶ The data include gasoline consumption from employee travel, including fuel used by operational leasing vehicles utilized by Ashtrom Group employees.



KMA Wastewater Treatment Plant • Jamaica

Water and Wastewater Management

As one of the largest real estate and construction companies in Israel, operating across a wide range of sectors, we invest in advanced technologies for water management, consumption reduction, and responsible wastewater treatment. These efforts aim to reduce our environmental footprint and help preserve this vital resource for future generations. Water consumption within the Group is sourced from both municipal water systems and Israel's desalination infrastructure, which ensures a stable water supply despite the existing risks to the country's water resources.

Methodology for Identifying and Managing Water and Wastewater Impacts

The identification and management of water-related impacts at Ashtrom Group are based on a combination of environmental surveys conducted in accordance with regulatory requirements in Israel and in the countries where the Group operates, together with continuous operational monitoring across the company's sites, including data collection and evaluation. Given the Group's activities across the entire real estate value chain, the primary risks related to water consumption arise from potential leakages at construction sites and income-producing properties. These risks are addressed and managed accordingly, as detailed below.

Data collection and monitoring are conducted annually as part of the Group's ESG reporting processes and include the analysis of consumption trends across each of the Group's business segments. Reviewing consumption data and identifying deviations also serves as an operational control layer, helping to detect areas that require improvement or efficiency measures, in accordance with the nature of the activities in each unit.

Operational monitoring is carried out through tracking water meters and through smart systems for monitoring water consumption, including sensors designed to detect anomalies. These systems enable ongoing oversight and allow operations to be adjusted in accordance with on-site needs.

Wastewater discharge at the Group's sites is managed in accordance with the guidelines and requirements of the relevant authorities, including water corporations and local municipalities. This management takes into account standard parameters for discharge quality into sewer systems, in line with the nature of the activities at each site.

At the same time, the Group maintains ongoing coordination with the relevant authorities and water corporations to obtain the required permits, secure infrastructure connections, undergo inspections, and ensure compliance with wastewater treatment plant (WWTP) requirements relating to water and wastewater discharge.

Water and Wastewater Management Across the Value Chain



Manufacturing and Marketing of Construction Materials

Water Treatment

Most of the Group's water consumption is attributed to Israbeton plants, where recycled water, rainwater, and municipal water are used as needed, while maximizing water recycling processes.

Wastewater Treatment

Sanitary wastewater is treated through sewage vacuum trucks and pre-treatment facilities before discharge to wastewater treatment plants (WWTPs), while residual concrete sludge is transferred to authorized disposal sites. At the BG Bond plant, a dedicated wastewater pre-treatment facility treats all wastewater generated at the site. The process produces sludge, which is subsequently transferred to authorized disposal sites.



Property Development and Planning

Water Treatment

Ashtrom Residences, Ashtrom Properties, Ashtrom Residences for Rent, and Ashtrom International work to reduce water consumption by integrating advanced solutions at the planning stage, including the installation of scale-prevention systems. These solutions help extend the lifespan of water systems, improve operational efficiency, and reduce water waste resulting from maintenance failures.

Wastewater Treatment

Ashtrom Residences, Ashtrom Properties, Ashtrom Residences for Rent, and Ashtrom International implement early-stage planning measures aimed at reducing the load on municipal infrastructure.



Construction and Infrastructure

Water Treatment

At **Ashtrom Construction's** sites, water is used for activities such as concrete mixing, dust suppression spraying, and equipment cleaning, with careful attention to responsible management. Ashtrom Construction also conducted a successful pilot for the installation of sensors to manage water leakages at construction sites, enabling accurate monitoring and control processes to reduce water waste.

Wastewater Treatment

Wastewater activity at **Ashtrom Construction's** sites is negligible in scope and is managed in accordance with environmental requirements.



Property Management

Water Treatment

Across the income-producing properties of Ashtrom Properties, **Ashtrom Residences for Rent and Ashtrom International**, water consumption is managed responsibly with the aim of conserving resources. To support this, the divisions implement water-efficient technologies, including water use monitoring and control systems, the use of runoff water for irrigation, and the efficient management of cooling systems.

Wastewater Treatment

During the year, we advanced oil management and recycling practices in the food service areas of properties managed by Ashtrom Properties and Ashtrom Residences for Rent through the implementation of advanced central collection tanks. This solution enables the efficient and responsible collection of used oil and reduces the risk of leaks and environmental contamination. Ashtrom International operates a wastewater treatment facility serving the capital city of Jamaica.

Water Consumption Reduction Plan

As operations in Israel take place in a region internationally classified as being under high water stress (according to the WRI Aqueduct tool), and in light of the expected regional impacts of climate change, special emphasis is placed on preventing water waste, improving process efficiency, and integrating advanced technologies that support the responsible management of this vital resource. This is despite assessments indicating that approximately 80% of Israel's water supply is based on desalinated water and that no actual water shortage is currently being experienced.

At Ashtrom Group, operational and technological water-related initiatives are continuously evaluated. At the same time, we are working to advance impact-focused projects aimed at increasing reuse, reducing waste, and managing water-related risks. These initiatives form the basis for the process of defining future targets, in line with technological developments, local regulation, and market expectations.



Initiatives to Implement the Water Consumption Reduction Plan

- **Upgrading wastewater treatment facilities at BG Bond plants**, enabling the separation of contaminants, improvement of discharge quality, and reduction of the load on public infrastructure.
- **Implementation of real-time sensor monitoring systems** in income-producing assets, aimed at reducing water loss and enabling the early detection of malfunctions.
- **Advancing pilot projects at construction sites**, including automated leak management through sensors to prevent significant water waste
- **Expanding water reuse** in asset operations, including, among other measures, water recycling in cooling towers, the use of runoff water, and the design of systems for air-conditioning condensate and greywater.
- **Advancing a pilot project for monitoring and reporting the use and consumption** of freshwater and recycled water.
- Decision to launch the first pilot for the **installation of a concrete waste recycling system** at one of the company's plants. The system will enable the maximization of water recycling for reuse in production processes and for washing concrete mixer trucks.

BG factory

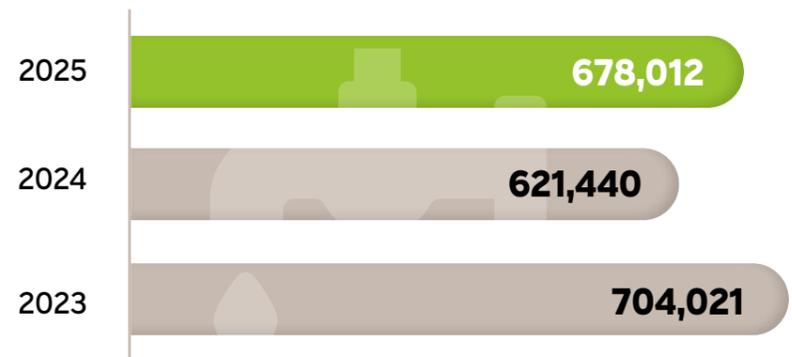


Etz Chayim • Jerusalem



Total Water Consumption at Ashtrom

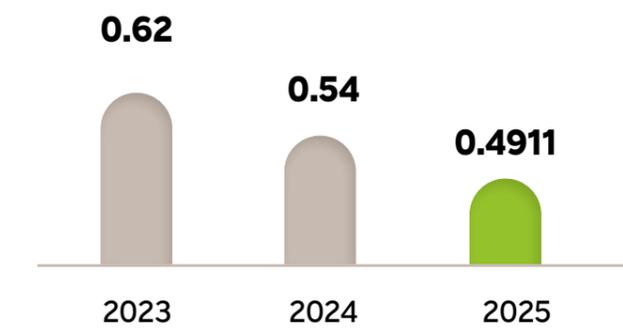
Water Consumption, 2023–2025 (m3, GRI 303–3, 303–5)



4% ↘ in total water consumption between 2023 and 2025.

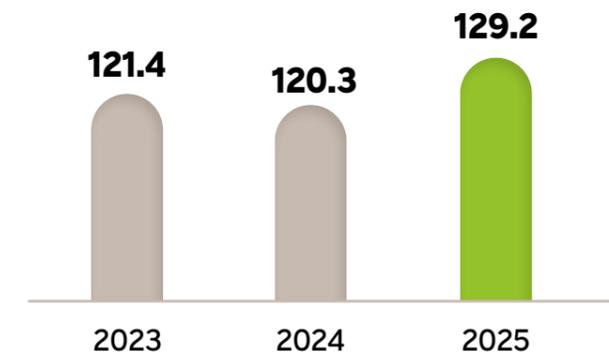


Water Intensity of Ashtrom Group, 2023–2025 (m3 per area / ton of product):



21% ↘ reduction in water intensity by type of activity between 2023 and 2025

Water Intensity of Ashtrom Group, 2023–2025 (m3 of water per NIS million of revenue, GRI 303–3, 303–5):



Waste Management and Treatment Plan Across the Value Chain

Responsible waste management is an integral part of the Group's efforts to reduce the environmental impacts of its activities. The main types of waste generated by our operations include construction waste, concrete, metal, wood, gypsum, sludge, cardboard, plastic, and mixed waste. The key impacts are associated with high volumes of landfill disposal, partial reuse of raw materials, increased truck traffic, and the need for sorting both on-site and off-site.



Manufacturing and Marketing of Construction Materials

Ashtrom Industries and Drachim seeks to reduce the use of virgin raw materials and promote the use of recycled materials.

Ashtrom Industries integrates recycled content into product packaging and promotes the recycling of concrete, gypsum, and wood.

Ashtrom Industries also uses recyclable packaging in its products, such as paper bags and gray buckets containing more than 30% recycled material.



Property Development and Planning

Ashtrom Residences, Ashtrom Properties, and Ashtrom Residences for Rent integrate waste management approaches at the early planning stages, promoting recycling and the efficient use of resources throughout the project lifecycle.



Construction and Infrastructure

Ashtrom Construction advances the recycling of metal waste. Construction waste generated at Ashtrom Construction sites is transferred to suppliers who, as part of their services, transport the waste to authorized facilities for recycling processes.



Property Management

Ashtrom Properties and **Ashtrom International** implement waste recycling solutions across the office and commercial areas under their management, including:

- Recycling systems for oil, cardboard, paper, plastic, glass, and general waste
- Compactor monitoring systems to reduce the frequency of waste collection
- Employee training programs and signage with guidelines for waste separation and recycling.
- Diversion of waste to energy recovery (RDF – Refuse-Derived Fuel) at the Group's properties in the UK.



Renewable Energy

Ashtrom Renewable Energy promotes the recycling of waste generated following the installation of solar panels.



Israbton factory



Initiatives for Implementing the Waste Reduction and Management Plan



Preparation for a first pilot project to establish a concrete waste recycling system at one of the Israbeton plants. The system is expected to significantly reduce the weight, volume, and overall quantity of waste by approximately 60%.



Development of Controlled Low-Strength Material (CLSM) concrete based on the reuse of the customer's local clay soil waste, reducing the need for traditional fill materials.



Completion of a process to upgrade asphalt mixtures at the Drachim asphalt plant, enabling the production of asphalt containing 40% recycled material.



Advancement of research and development to assess the feasibility of recycling concrete sludge and integrating it into concrete production.



Waste reduction through the sale of defective products and product fragments from Ashkalit for reuse as insulation materials for lightweight roofs.

Key Waste Streams by Business Segment

Waste Management 2024–2025 (GRI 306–3):

Ashtrom Construction

	2024 (ton)	2025 (ton)
 Construction waste for recycling	65,746	72,777
 Construction waste for landfill	6,735	8,597
 Total construction *waste	72,481	81,374
 Metal for sale	1,259	1,592
Total waste – Ashtrom Construction	73,740	82,966

*90% of the construction waste generated by Ashtrom Construction is transferred to waste removal suppliers, who report that about 90% of this waste is directed to authorized facilities for sorting and recycling processes.

17. In 2025, the Group continued to improve and refine the quality of the waste-related data collected. Accordingly, the data for 2024 were updated following the identification of a clerical error.

Ashtrom Industries

	2024 (ton)	2025 (ton)
 Wood for recycling	55	86
 Gypsum for recycling	4,208	5,175
 Gypsum for landfill	755	726
 Plastic (nylon) for recycling	4	4
 Steel for sale	¹⁷ 245	334
 Concrete for recycling	14,830	15,117
 Concrete reuse in quarries and landfills	46,337	40,461
Total waste – Ashtrom Industries	66,434	61,903
Total wooden pallets transferred for reuse	1,890	5,903

Ashtrom Properties

		2024 (ton)	2025 (ton)
	Concrete for recycling	19	187
	Concrete for landfill	7	34
	Concrete for recycling	314	349
	Concrete for landfill	43	247
	Plastic (nylon) for recycling	28	11
	Plastic (nylon) for landfill	157	2
	Metal for recycling Added this year		48
	Metal for landfill Added this year		11
	Oil for recycling Added this year		94
	General waste for recycling	211	425
	General waste for landfill	1,452	1,589
Total waste – Ashtrom Properties		2,231	2,997

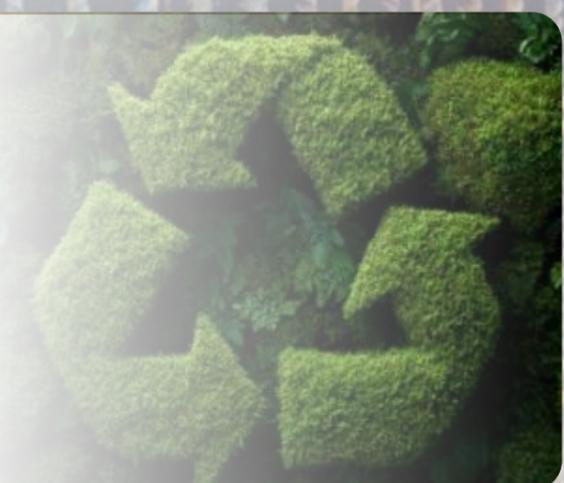
Ashtrom International

		2024 (ton)	2025 (ton)
	Cardboard and paper products for recycling	5	4
	Cooking oil for recycling	2	2
	Glass for recycling	13	4
Total waste – Ashtrom International		20	10



Overall Recycling Rate

61% 2024 **65%** 2025





Hazardous Waste Management at BG Bond, 2024–2025 (GRI 306–3)

Waste Type	Treatment Method	2024 (ton)	2025 (ton)
Sludge	Incineration and Landfill	100	52
Plastic	Recycling	2	6
Metal (iron)	Recycling	0	0.3
Obsolete raw materials	Incineration and Landfill	0	8
Soda wastewater	Incineration and Landfill	23	0
Total		125	66.3
Recycling Rate		1%	9%

Revenue from Waste Sales

	2024 (₺)	2025 (₺)
Iron for sale	980,470	841,523
Wooden pallets for sale	4,249	6,950
Steel for sale	236,000	318,218
Revenue from the sale of recyclable waste for sale	1,966	1,900
Total revenue from waste sales	1,222,685	1,168,591

SECTION OF HIGHWAY 79

Reducing Biodiversity Impact

Methodology for Identifying and Managing Biodiversity Impacts

Biodiversity forms the foundation for the proper functioning of ecosystems and for ensuring the continued availability of essential resources worldwide. In line with sustainability principles, we work to reduce the environmental impact of our activities, responsibly manage interfaces with natural habitats, and collaborate with professional stakeholders and local communities.

As part of our activities in this area, we continued to implement the Group's **biodiversity policy**, which sets out guiding principles for the preservation of natural systems, the integration of ecological considerations into decision-making processes, and cooperation with environmental organizations and local communities.

Identification and Management of Biodiversity Impacts by Activity Type

SECTION OF HIGHWAY 79



Manufacturing and Marketing of Construction Materials

Ashtrom Industries works to reduce environmental impacts at sites that interface with natural areas, such as the quarries in which it operates, by planting trees and creating green areas that serve as habitats.



Property Development and Planning

Ashtrom Residences, Ashtrom International, Ashtrom Properties, and Ashtrom Residences for Rent conduct environmental surveys, tree preservation, and tree relocation, where required, in accordance with the guidelines and instructions of the relevant local authority official and the Forestry Officer. They also promote the rehabilitation of green areas and the planning of green parks as part of the planning process, intending to preserve and restore ecological systems.

In 2025, the urban activities of these divisions were mapped, and it was found that most projects are located in developed urban environments with minimal impact on biodiversity.



Construction and Infrastructure

Ashtrom Construction and Ashtrom International provide, as part of their activities, landscape restoration and ecological habitat rehabilitation services.



Property Management

Across **Ashtrom Properties'** assets, green roofs are maintained and managed, and beehives are installed to create habitats in urban spaces and support biodiversity restoration.



Renewable Energy

Ashtrom Renewable Energy carries out local vegetation restoration at its solar projects to enhance ecological systems and provide habitats for native species.

Initiatives for Managing Biodiversity Impacts

Protecting biodiversity at construction sites

Where a need is identified, or when requests and directives are received from regulatory bodies and local authorities, Ashtrom Construction examines and implements dedicated measures to reduce harm to wildlife and local ecological systems.

These measures may include preliminary surveys, coordination with professional experts, steps to enable the safe exit of animals from the site, and operational adjustments, where feasible, during the construction and execution phases. Ashtrom Construction recognizes the importance of integrating environmental considerations into planning and execution processes and acts responsibly to reduce the environmental impacts of its activities.



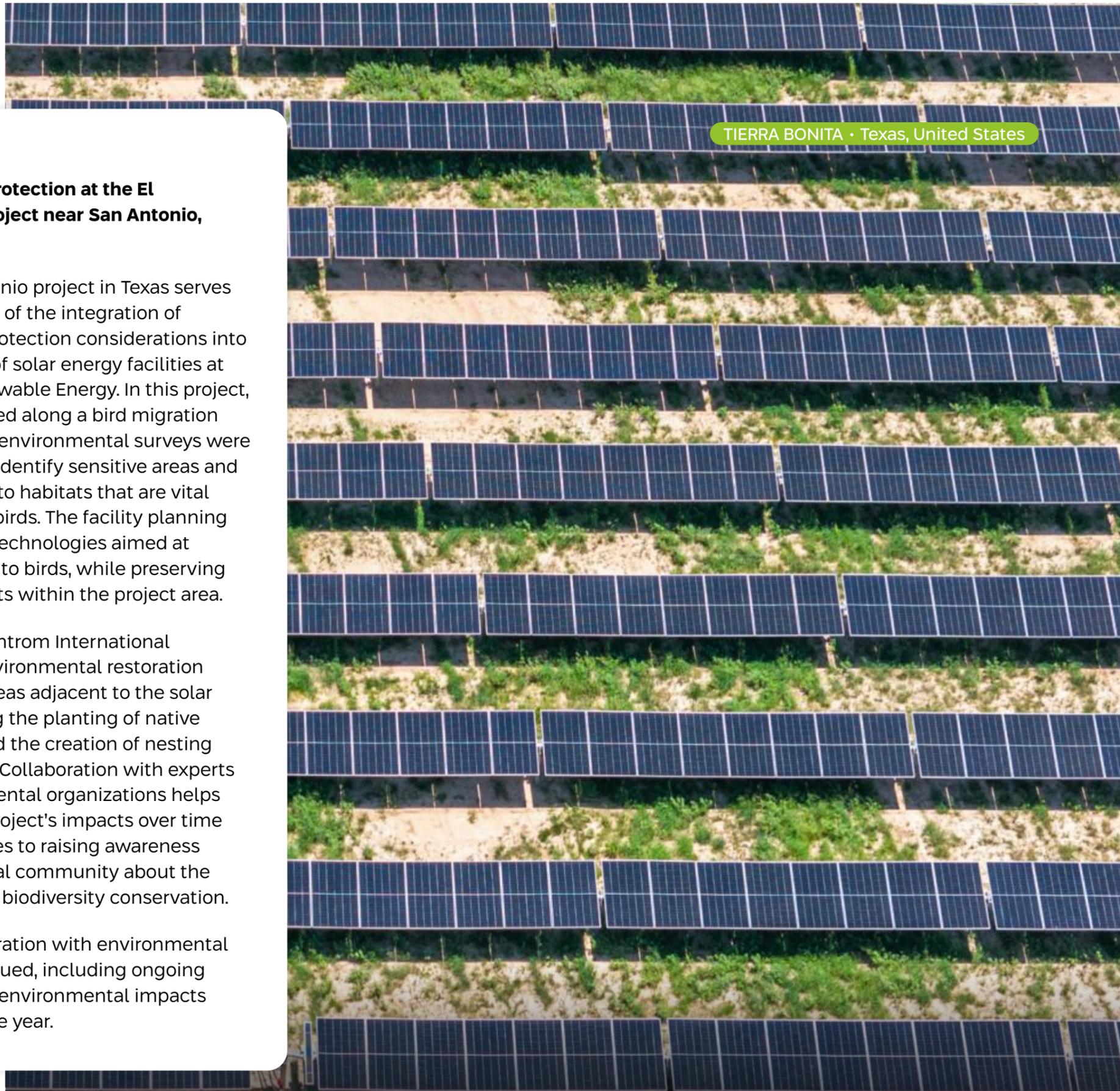
Biodiversity Protection at the El Patrimonio Project near San Antonio, Texas

The El Patrimonio project in Texas serves as an example of the integration of biodiversity protection considerations into the planning of solar energy facilities at Ashtrom Renewable Energy. In this project, which is located along a bird migration corridor, early environmental surveys were conducted to identify sensitive areas and prevent harm to habitats that are vital for migratory birds. The facility planning incorporated technologies aimed at reducing risks to birds, while preserving natural habitats within the project area.

In addition, Ashtrom International carries out environmental restoration activities in areas adjacent to the solar field, including the planting of native vegetation and the creation of nesting sites for birds. Collaboration with experts and environmental organizations helps monitor the project's impacts over time and contributes to raising awareness within the local community about the importance of biodiversity conservation.

In 2025, cooperation with environmental experts continued, including ongoing monitoring of environmental impacts throughout the year.

TIERRA BONITA · Texas, United States



Progress Against Targets

By 2050

Net Zero Carbon neutrality

By 2040

↓50% reduction in carbon emissions (Scope 1 and Scope 2)

By 2035

20% of the private vehicle fleet will consist of hybrid, plug-in hybrid, electric, or other alternative-fuel vehicles

By 2040

30% of the private vehicle fleet will consist of hybrid, plug-in hybrid, electric, or other alternative-fuel vehicles

75% renewable energy in material properties under our ownership and management

By 2050

100% green certification

By 2050

100% green certification for material properties and products in Israel and worldwide

Planned for LEED certification

★ **Israel:** 8 Properties

BREEAM Certification

★ **UK:** 2 existing properties and 1 property under renovation

★ **Germany:** 1 property under renovation

LEED O+M Certification | BREEAM In-Use

★ **Germany:** 13 Properties

★ **Israel:** 2 Properties

★ **UK:** 1 property

Most of Ashtrom Industries' products hold a Green Label or EPD certification:

★ 4 concrete mixes with EPD certification

★ More than 90% of SIMPLY by BG Bond paint products hold green certification

★ Most BG Bond products hold a Green Label

★ Completion of the EPD process for 19 BG Bond products

★ More than 80% of Ashkalit products hold green certification

★ 100% of Ashbond products hold a Green Label

★ 100% of Ashbond Block 10 and Block 6 products completed the EPD process

Advancing the implementation of the decarbonization plan and energy efficiency initiatives across the Group's business segments.

- ★ Gas supply was discontinued in three key properties of Ashtrom Properties UK, with a transition to biogas at an additional property, supported by RGGO certificates.
- ★ Pilot projects for the operation of electric heavy machinery demonstrated savings of 17,000 liters of diesel compared to the previous year.
- ★ Hybrid vehicles accounted for 18% of the private vehicle fleet as of the end of 2025.
- ★ Transition to renewable energy consumption across most of Ashtrom Properties' assets in Germany.

- ★ A 13% reduction in Scope 1 and Scope 2 emissions between the 2023 base year and 2025.
- ★ A 9% reduction in fuel consumption for vehicle travel per vehicle.
- ★ Expansion of Scope 3 emissions reporting to include an additional category.
- ★ 31% reduction in carbon intensity by type of activity between 2023 and 2025
- ★ 41% reduction in energy intensity by type of activity between 2023 and 2025
- ★ 21% reduction in water intensity by type of activity between 2023 and 2025

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Porting you
to the new
business world.

Port By Ashtrom

Healthy and Safe Community Environment

Our Employees Well-Being, Professional Development, and a Respectful Workplace

Our employees are a source of great pride and one of the key pillars of the Group's long-term success. We are committed to safeguarding their health and well-being, supporting their ongoing professional development, and strengthening our human capital while promoting fair employment, equality, diversity, and inclusion. This approach also guides our engagement with business partners and suppliers, reflecting our aspiration to embed these values throughout the entire value chain.

At Ashtrom Group, we are committed to safeguarding human rights and the well-being of all our employees. We operate without discrimination of any kind and do not discriminate between employees or job candidates on the basis of gender, age, religion, disability, political opinion, sexual orientation, marital or personal status, economic or social status, or any other form of discrimination, throughout all stages of employment: recruitment, terms of employment, promotion, compensation, training, professional evaluation, and termination of employment.

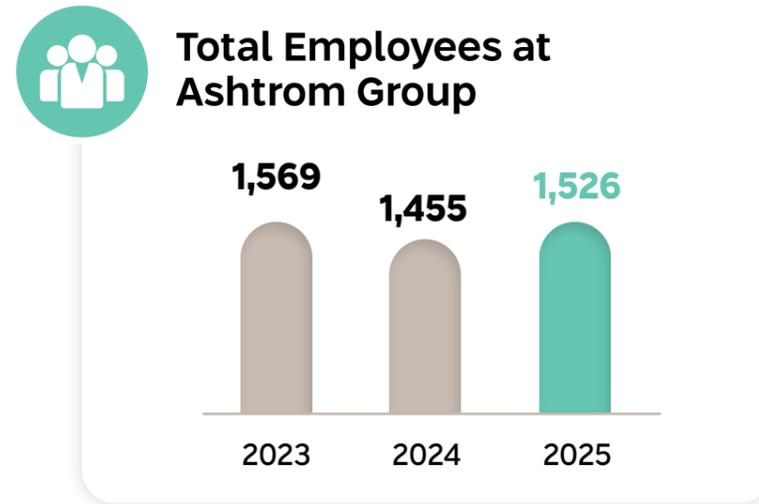
The Group places great importance on providing equal opportunities to every employee and job candidate across all areas of employment, including appointments to positions and professional promotion. Ashtrom Group strictly prohibits discrimination of any kind.



Fair and Respectful Employment

We always strive to ensure that our employees feel valued and are able to realize their full potential. To support this, we foster a people-centered, values-driven organizational culture based on open dialogue and mutual respect.

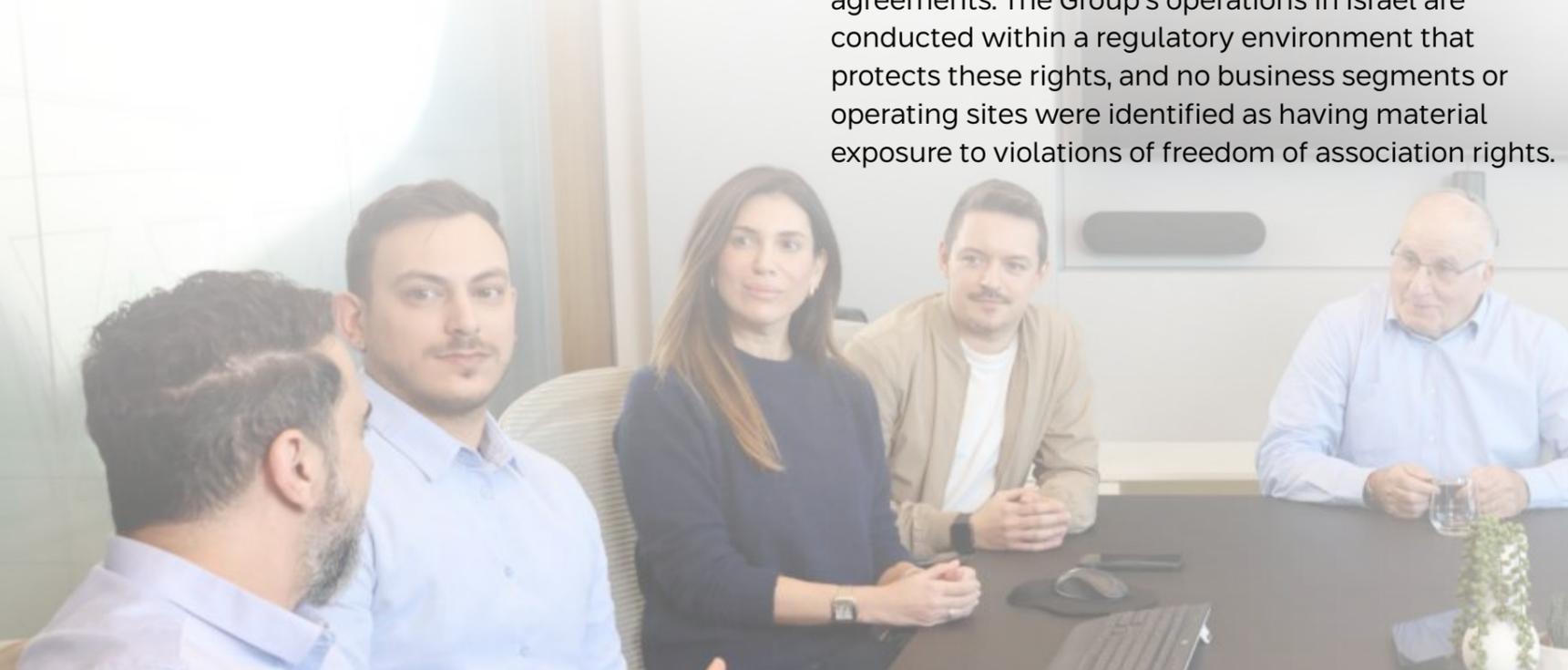
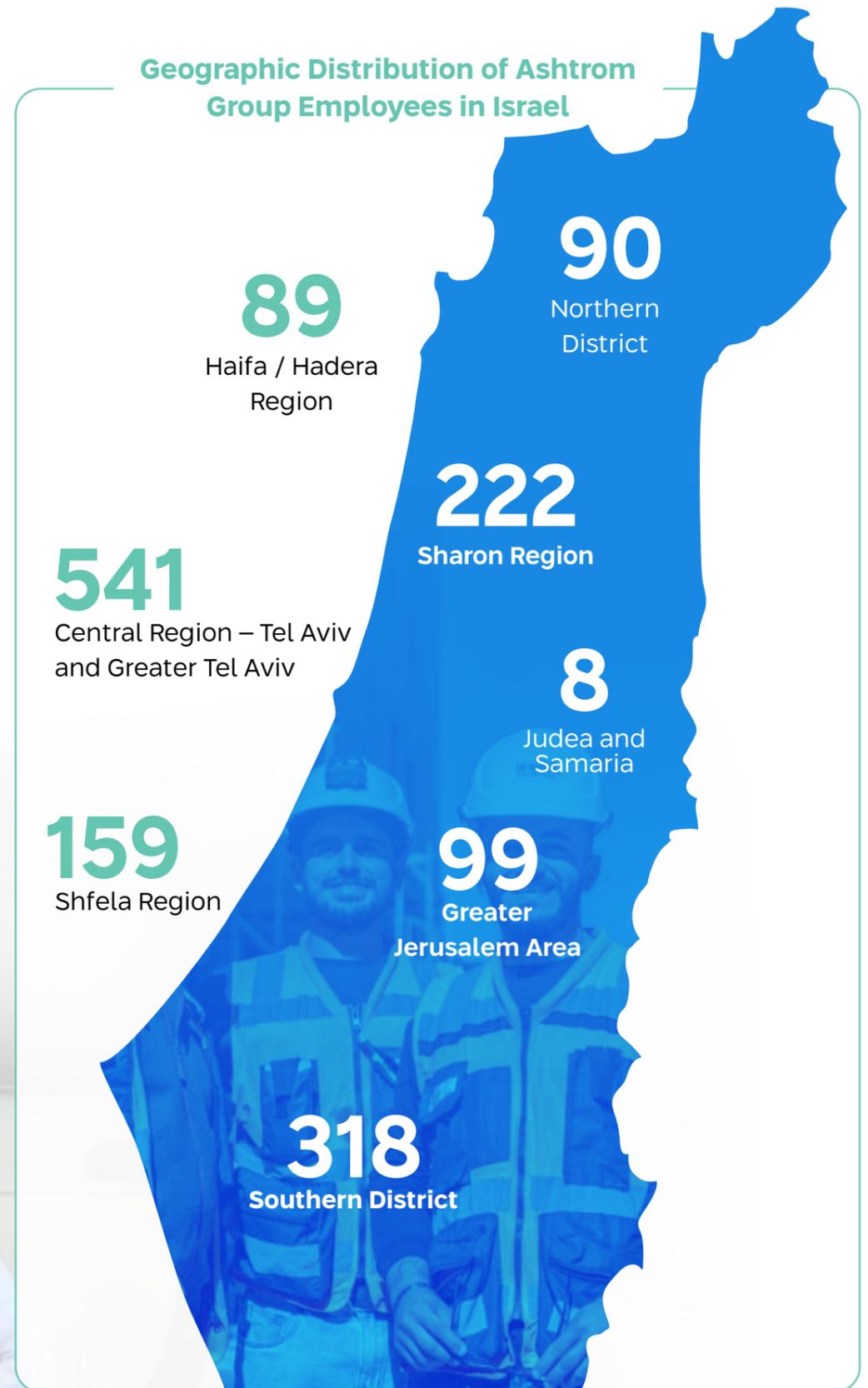
The Human Resources Division of Ashtrom Group leads the management of the Group's human capital and is headed by the VP of Human Resources, who is responsible for labor relations. Employment at Ashtrom Group is generally based on individual employment contracts, with the exception of certain employee groups covered by collective agreements in the construction sector.



At the end of 2025, Ashtrom Group's workforce in Israel totaled 1,526 employees, reflecting a 5% increase compared to the previous year. The Group does not employ minors, does not engage in forced labor, and control cameras at the entrances to construction sites ensure that only authorized workers who have completed the required training are granted access.

The Group respects its employees' rights to freedom of association and collective bargaining and operates in accordance with applicable labor laws and agreements. The Group's operations in Israel are conducted within a regulatory environment that protects these rights, and no business segments or operating sites were identified as having material exposure to violations of freedom of association rights.

Geographic Distribution of Ashtrom Group Employees in Israel



Number of Employees Covered by Collective Agreements in the Construction Sector, 2023–2025 (GRI 2–30)

Category	2023	2024	2025
Total Employees	319	270	273
♀ Women	0	0	1
♂ Men	319	270	272

The Group prohibits the employment of children and operates in accordance with applicable laws and internationally recognized standards. The Group's activities take place in regions where labor laws are fully enforced, and during the years 2023–2025, no material risks related to child labor were identified in the Group's operations or among its key suppliers.

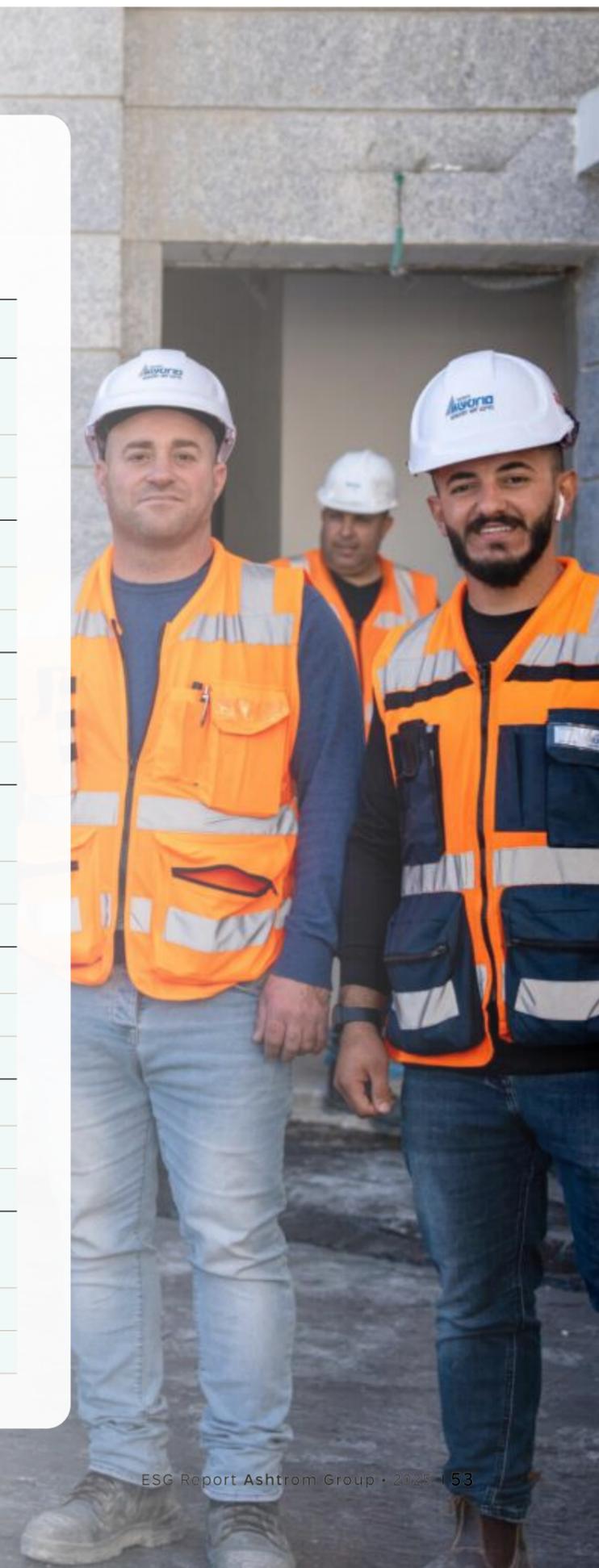
97% of Ashtrom Group employees earn wages that are at least 10% higher than the minimum wage.

18. Employees are required to be members of either the National Histadrut or the General Histadrut. The agreement, which is publicly available online, outlines wage terms and payments, pension and study fund provisions, leave and absence arrangements, workplace safety requirements, and additional employee rights.

Employment Type

Total Employees of Ashtrom Group in Israel by Employment Agreement, 2023–2025 (GRI 2–7):

Category	2023	2024	2025
Total Number of Salaried Employees	1,569	1,455	1,526
Women ♀	451	426	446
Men ♂	1,118	1,029	1,080
Employees with Global Salary	1,067	1,017	1,109
Women ♀	366	375	400
Men ♂	701	642	709
Employees with Monthly Salary	334	282	290
Women ♀	75	43	39
Men ♂	259	239	251
Employees by Hourly Wage Structure	139	126	99
Women ♀	8	6	7
Men ♂	131	120	92
Service Providers (Freelancers)	29	30	28
Women ♀	2	2	0
Men ♂	27	28	28
Total Full-Time Employees	1,485	1,342	1,407
Women ♀	394	377	397
Men ♂	1,091	965	1,010
Total Number of Part-Time Employees	84	113	119
Women ♀	58	49	49
Men ♂	26	64	70



Total Number and Rate of New Employee Hires by Age Group and Gender

Total New Hires in Israel by Gender and Age, 2023–2025 (GRI 401–1):

Category	2023	2024	2025
♀ Women > 30	38	33	38
♀ Women 30–50	68	42	59
♀ Women < 50	13	17	17
♂ Men > 30	81	75	113
♂ Men 30–50	159	96	136
♂ Men < 50	64	40	56
Total New Hires >30	119	108	151
Total New Hires 30–50	227	138	195
Total New Hires < 50	77	57	73
Total New Hires	423	303	419

Employee Turnover by Gender and Age Group

Total Employee Departures in Israel by Gender and Age, 2023–2025 (GRI 401–1)

Category	2023	2024	2025
♀ Women > 30	34	21	25
♀ Women 30–50	52	28	43
♀ Women < 50	18	70	27
♂ Men > 30	63	76	63
♂ Men 30–50	130	89	114
♂ Men < 50	63	133	76
Total Departures > 30	97	97	88
Total Departures 30–50	182	117	157
Total Departures < 50	81	203	103
Total Departures	360	417	348
Turnover Rate	22.3%	26.3%	22.2%

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A Respectful Work Environment and the Protection of Employees' Rights

Ashtrom Group places the highest importance on creating a pleasant, safe, and respectful work environment, based on the understanding that employee safety and well-being are essential to both personal and organizational success. These principles are anchored in the Group's updated Code of Ethics (2025), as well as in the Human Rights Policy and the Health and Safety Policy, which define clear standards for appropriate conduct and the protection of employees' rights across all organizational units. These documents outline the expected standards of behavior for all employees and explicitly prohibit harassment, discrimination, violence, and workplace bullying.

Zero Tolerance for Violence and Harassment in the Workplace

Ashtrom Group maintains a zero-tolerance policy toward violence of any kind, harassment, retaliation, or workplace bullying. In 2025, the Sexual Harassment Prevention Policy was updated in accordance with regulatory requirements in Israel, and a dedicated training module on the subject was distributed to employees.

During 2025, three complaints of workplace bullying were recorded, one of which was submitted by a third party. All complaints were examined in accordance with applicable law and were found to be unsubstantiated. In addition, five complaints related to sexual harassment were received, of which two were found to be substantiated and were addressed immediately and without delay. All incidents were handled in accordance with the Group's formal response mechanisms, while maintaining confidentiality and protecting the reporting employee.



Number of Complaints and Incidents of Discrimination (GRI 406-1)

2023	2024	2025
0	0	0

Managing of a Respectful Work Environment

Managers at all levels are required to act in accordance with the Code of Ethics, serve as role models, and work to prevent harassment, bullying, or discrimination across all organizational units.

To ensure that the policy is effectively implemented in practice, Ashtrom Group operates training and integration mechanisms:



Onboarding training for all new employees, including an overview of the Code of Ethics, standards of conduct, and respect for human dignity.



Training module on sexual harassment prevention and the Code of Ethics.



Making the Sexual Harassment Prevention Policy accessible across all Group offices and construction sites.

The mechanisms for reporting and handling complaints are overseen by the Code of Ethics Officer, the VP of Human Resources, the Group CEO, and the Chair of the Audit Committee. These officials are responsible for ensuring that complaints are handled in accordance with established procedures, while maintaining confidentiality and protecting those who report concerns.

Caring for Our Employees' Well-Being

Ashtrom Group considers the well-being of its employees, work-life balance, and high-quality employment conditions to be central components of its human capital approach. This approach strengthens employee satisfaction, engagement, and job stability, and forms an integral part of the Group's social responsibility.

To support employee well-being, the Group operates a comprehensive benefits and support framework available to all employees. The framework includes five core areas: personal well-being, organizational cohesion, employee benefits, enrichment and leisure, and community engagement. It is designed to address the diverse needs of employees and their families – beyond legal requirements and base compensation.

Employee Welfare Benefits

For the second consecutive year, Ashtrom Group has offered its employees a scholarship program aimed to encourage higher education and professional training for their children. At the conclusion of the selection process, 20 applications that met the eligibility criteria were approved, and scholarships

were awarded in a total amount of approximately NIS 200,000.

At the same time, Ashtrom Group offers employees the option to receive salary advances or loans to support them during key life events. Salary advances are granted subject to the required approvals, and loans are provided under various terms, in accordance with applicable law and the Group's policy. In 2025, loans were granted to employees in a total amount of approximately NIS 1,422 thousand.

Out of concern for employees' health and well-being, Ashtrom Group provides all employees with paid sick leave from the first day of absence, as well as comprehensive group medical insurance, including coverage for transplants and special treatments, high-cost medications not included in the national health basket, and access to a dedicated website providing medical information and services.

Starting in 2025, employees who do not have access to an on-site dining facility are eligible for a benefits package that allows payments at restaurants, supermarket chains, pharmacy chains, and convenience stores. Employees can use these benefits nationwide, at any time of day, including weekends and holidays.



Social Benefits and Pension

The obligations of the Group and its subsidiaries regarding social benefits and the termination of employment relationships are secured through deposits in severance funds, insurance policies, or provisions recorded in the Group's financial statements.

In some of the Group's divisions, centralized severance funds are maintained, from which supplementary severance payments are made to eligible employees. In cases where the fund balance is insufficient, the required completion is made based on the employee's last salary, subject to approval by the tax authorities and in accordance with applicable law.

All employees are entitled to pension contributions from the beginning of their employment and to a study fund no later than one year after the start of their employment, with the option to tailor the savings plan and insurance agent to their needs.

As employees approach retirement age, the Group provides free pension advisory services to help ensure a secure financial future.

During employment termination processes, Ashtrom Group ensures fairness and full transparency. The Group provides guidance and support to employees who leave the organization. Employees retiring from the workforce receive personal advisory support, a retirement gift, and a formal farewell in recognition of their contribution. Employment termination processes and notice periods are carried out, at a minimum, in accordance with applicable labor laws.

These practices reflect the Group's core values, which include respect for employees, concern for their well-being, and support throughout their entire period of employment with the Group.

Examples of Employee Well-Being Initiatives in 2025:

In 2025, Ashtrom Group focused on strengthening the connection between employees and the organization by reinforcing engagement with employees' families, promoting team cohesion, and offering personalized well-being benefits, allowing each employee to select the benefits and gifts that best suited their preferences.

The annual well-being program was carefully designed to address the diverse needs of the Group's employees, with tailored activities for each company within the Group and for each organizational unit. Activities included company events, team-building days, and personal recognition initiatives aimed at strengthening employees' sense of belonging to their teams, their respective divisions, and Ashtrom Group as a whole.

Below is a partial list of events held during the year:



Gifts for First-Grade Children and Enlisting Soldiers

School backpacks with study supplies were distributed to employees' children starting first grade, and personalized gift packages were provided to employees' children enlisting in the military.



Summer Treats and Holiday Activities

During the summer, ice cream treats were distributed to field employees. For Purim, employees selected personalized gift packages, and during Hanukkah, festive events were held at the Group's headquarters as well as across its sites and plants, including a special celebration for employees' children and grandchildren.



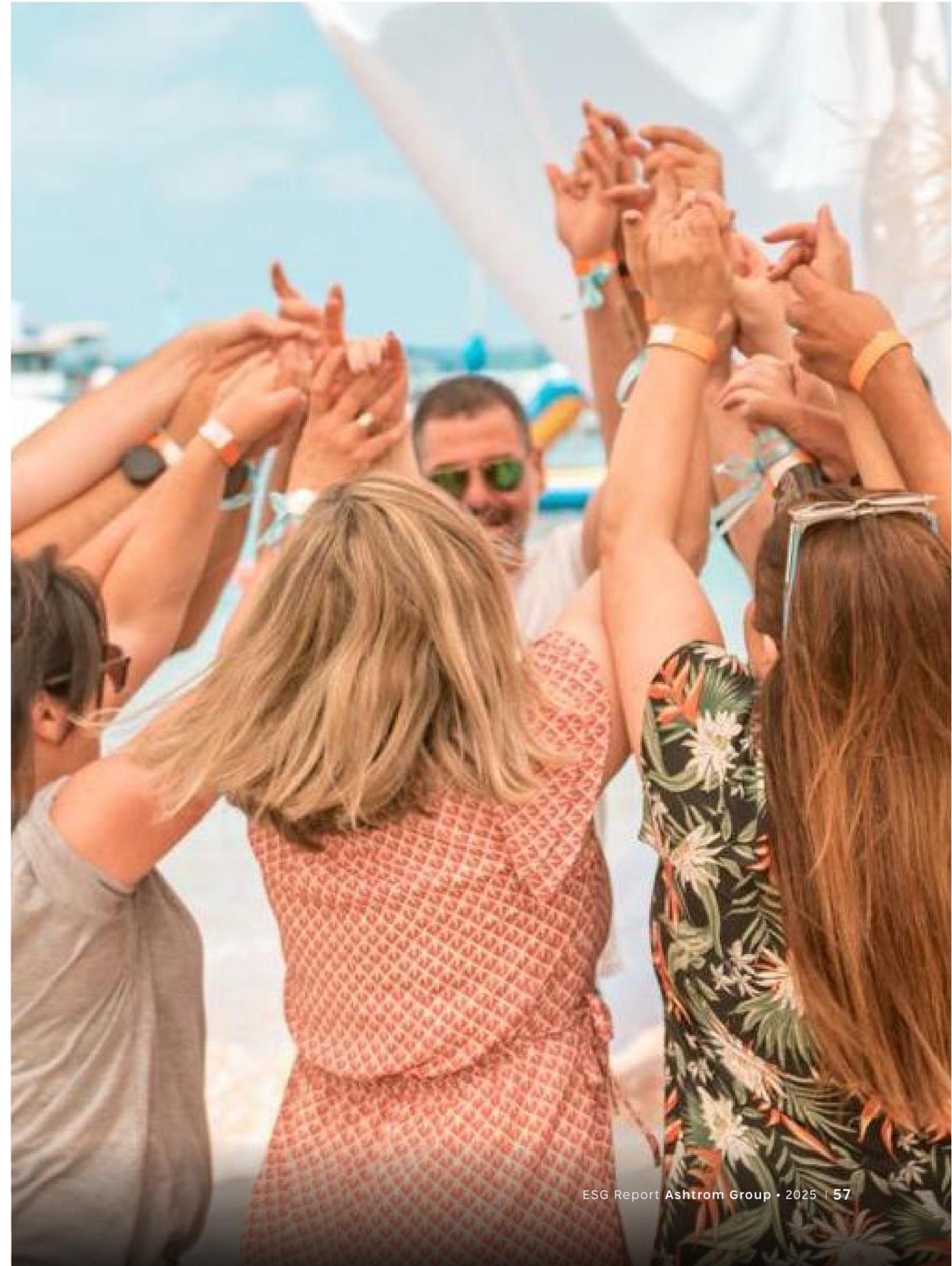
Recognition Ceremony for Employees with a Decade of Service

During the ceremony, 36 employees received luxury wristwatches in recognition of 10 years of service.



Overnight Retreat for Group Employees

Ashtrom employees participated in a company retreat aimed at recognizing their efforts, particularly after two years of war. During the event, the Group's management summarized the past year and expressed appreciation to employees for their dedication and commitment. In addition, employees enjoyed team-building activities, relaxation and hospitality, as well as professional and enriching content sessions.





Occupational Health and Safety

Occupational health and safety is a material issue in the activities of Ashtrom Group, given the nature of its operations, which include construction work, the operation of sites and plants, work with subcontractors, and the use of a vehicle fleet. The Group manages safety risks as part of its ongoing operational management, with the aim of reducing injuries and accidents among employees and contractor workers.

Safety management is integrated into the Group's operational risk management framework and includes compliance with applicable regulations, the implementation of internal work procedures, the operation of supervision and control mechanisms, and the ongoing monitoring of safety performance. Responsibility for this area is embedded within the management structure and supported by dedicated safety roles at both the site level and across the various business units.

Occupational Health and Safety Management System

Ashtrom Group has an **Occupational Health and Safety Policy** that serves as a guiding framework for the Group's activities in this area. The Group implements occupational health and safety management procedures in accordance with applicable laws and relevant regulatory requirements. In the Group's major construction subsidiaries, a safety management system is implemented in line with the **ISO 45001:2018** standard for Occupational Health and Safety Management Systems.

The safety management framework applies to the Group's construction sites, plants, and properties under its control. It is implemented at the Group level while being adapted to the nature of the activities, the scope of risks, and the operational characteristics of each business segment. Safety is addressed as part of the management of operational and organizational risks, including the allocation of resources, the definition of roles and responsibilities, and the implementation of control and monitoring mechanisms. Overall responsibility for managing occupational health and safety lies with the Group's management, the management of the various business segments, and the safety managers within the relevant companies.

Risk Identification, Assessment, and Management

The identification and management of safety risks at the Group's sites are carried out through a combination of structured work processes. Each site has a safety officer and a site manager responsible for supervising the site and ensuring that work is performed in accordance with the required procedures. They are also responsible for identifying risks typical to the site's activities, assessing their severity, and defining appropriate preventive and control measures.

Risk management includes conducting regular inspections and site visits, adapting work procedures and protective measures, training relevant employees, and providing daily oversight of the implementation of safety requirements in the field. In the event of safety incidents or "near-miss" cases, investigations are conducted and lessons learned are applied to update procedures and strengthen control mechanisms.

Safety Culture, Emergency Preparedness, and Business Continuity

The Group fosters an organizational safety culture based on awareness, personal responsibility, and a strong commitment to risk management. During the year, the importance of training programs, procedures, and emergency preparedness plans was emphasized, supporting employees and managers in addressing unexpected situations while maintaining business continuity and ongoing operations.

This preparedness strengthens the organization's resilience, enables a rapid response to unusual safety incidents, and contributes to minimizing disruptions to routine activities.



Training, Capacity Building, and Regulatory Compliance

As part of the Group's safety management framework, occupational health and safety topics are integrated into the organization's training and development programs, including regulatory training, professional refresher courses, and targeted training sessions for relevant employee groups.

We seek to reduce safety incidents at work sites and plants through periodic training, the implementation of management and control mechanisms, and the use of advanced protective equipment. Among other measures, dedicated training sessions are provided to site managers and employees on the proper use of personal protective equipment and safe working practices.

We conduct safety training for employees and managers, with an emphasis on practical instruction and the appointment of additional safety representatives at plants and work sites. These processes form a key component in fostering a strong safety culture, in

which every employee understands the importance of safety and acts proactively to maintain a safe working environment.

Regulatory training across the Group is designed to maintain professional competence, ensure that employees' knowledge remains up to date, and uphold high standards of work quality and employee safety.

We strive to promote the safety of our employees on the roads by sending periodic reminders and updates from the vehicle department, with particular emphasis on higher-risk periods such as winter, holidays, and the start of the school year. We encourage careful driving and adherence to traffic regulations, including maintaining safe distances and avoiding distractions, in order to help ensure the safety of both our employees and other road users.

Safety Training Hours – 2025



11,331

Employee Participation, Monitoring and Lessons Learned

The safety function is managed by dedicated safety officers for each area of activity, safety representatives at work sites and plants, and safety committees that convene regularly. These committees are responsible for analyzing safety incidents, including near-miss events, disseminating conclusions for training purposes, and ensuring the practical implementation of recommendations. Safety events are documented and recorded in a shared information system accessible to managers and safety officers across the organization, with the aim of promoting organizational learning.

We closely monitor all accidents and safety incidents, regardless of their severity, in order to draw lessons and prevent similar events from recurring. In addition, we proactively track "near-miss" events using dedicated systems and reporting through a built-in application. The information collected is used to regularly review procedures and to refine training and control measures.

Safety Management Across the Value Chain

As part of its engagements with subcontractors, Ashtrom Group conducts prior assessments of their compliance with critical aspects such as safety standards, employment conditions, and workers' rights.

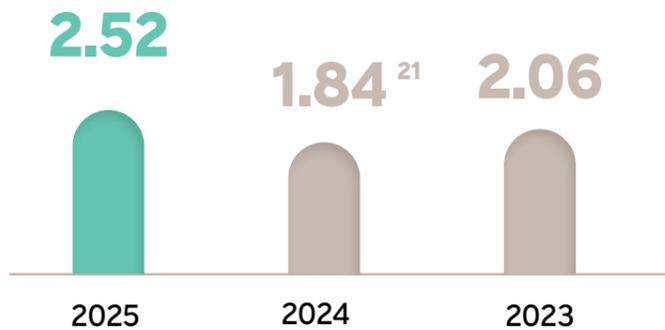
Contractual agreements with contractors include provisions requiring compliance with applicable laws, including lawful wage payments, provision of social benefits, and the safeguarding of employees' health and safety. These aspects are reviewed as part of the Group's management of risks arising from its business relationships.



Investment in Safety

Ashtrom Group invests tens of millions of shekels each year in safety-related activities. For example, approximately **NIS 55 million were invested in safety at Ashtrom Construction** over the past two years, and approximately **NIS 1.1 million were invested at Ashtrom Industries** during the same period to establish and implement an advanced safety management system and adopt related technologies. These investments reflect our ongoing commitment to creating a safe and efficient working environment.

Total Recordable Work-Related Injury Rate (TRIR) for Ashtrom Group Employees, Excluding Road Accidents (GRI 403-9, 403-10):



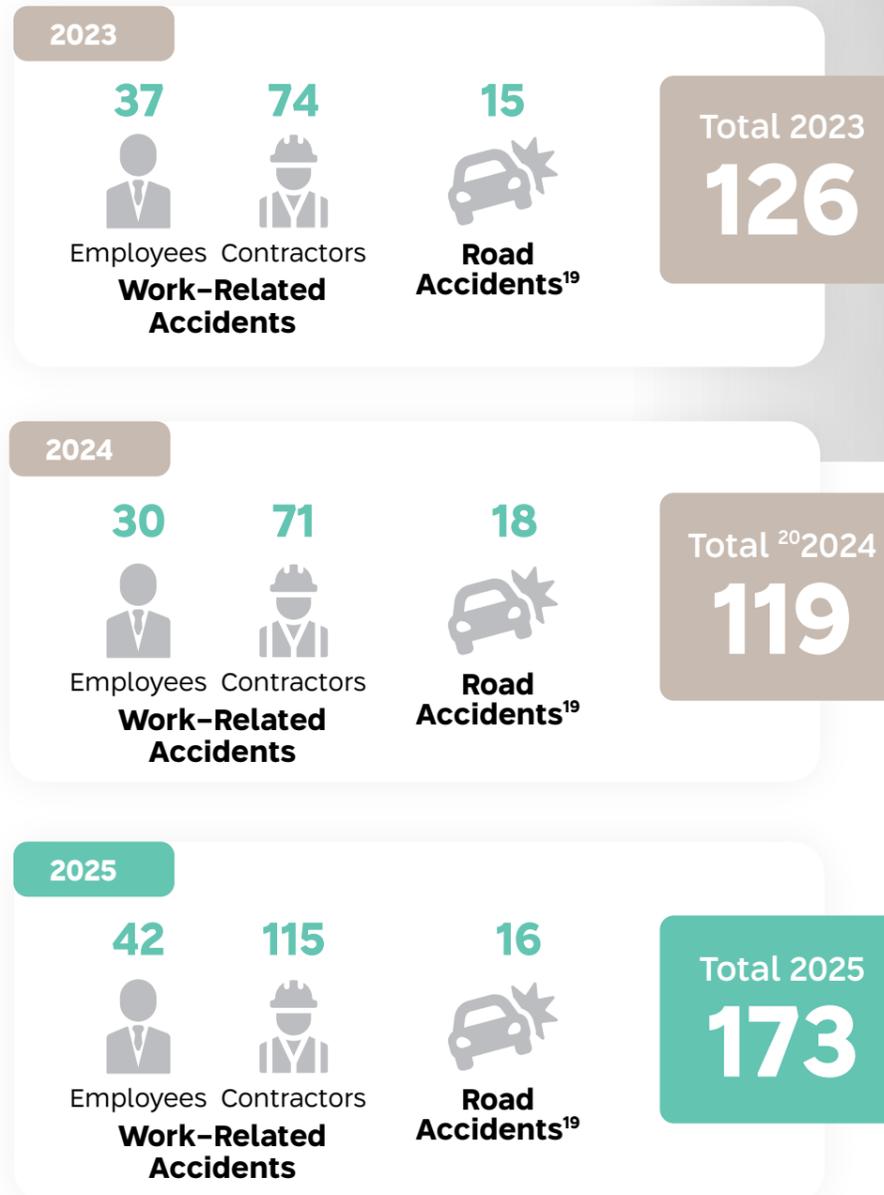
¹⁹ Ashtrom Group employees only – while commuting to or from the workplace. These incidents did not occur at the workplace itself.

²⁰ In 2024, two tragic fatalities involving contractor workers occurred: one at the Ashcrete plant as a result of a fall, and one at the Israbeton plant as a result of a road accident.

²¹ The total number of hours reported for 2024 was revised following improvements in data quality.

Number of Work-Related Accidents

Ashtrom Group, 2023–2025 (GRI 403)



The increase in work-related accidents compared to the previous year was primarily attributable to the continued impact of the war, including the war with Iran. In 2025, unlike in 2024, which was also a year of war, there was an effort to return to routine operations despite the ongoing multi-front conflict, including the war with Iran and its significant implications and constraints, which were more severe than those experienced during the conflicts in late 2023 and throughout 2024. The increase in injuries among contractor workers was also attributable, in part, to the effects of the war with Iran and the extensive reserve duty mobilization, particularly among site management teams.

Learning, Leadership and Organizational Culture

Employee development and empowerment are a material focus for Ashtrom Group, given their direct impact on professional competence, quality of execution, safety, employee retention, and overall managerial resilience across the Group's business segments.

This topic is particularly significant in light of the Group's operational characteristics, which include complex projects, work in dynamic operational environments, and high regulatory requirements that necessitate the continuous development of both professional and managerial skills.

The Group promotes the development of its human capital through a continuous learning approach, connecting professional excellence with stronger organizational engagement and preparedness to address evolving operational challenges.

The year 2025 marked a significant step forward in the development of human capital and the strengthening of Ashtrom Group's managerial culture. During the year, learning areas were expanded, while a structured organizational development framework was established, linking the professional and managerial development of employees and managers with broader organizational processes. These initiatives contributed to enhancing professional capabilities, strengthening business performance, and creating greater managerial clarity and a more consistent management standard across the Group.

Implementation, Accountability and Governance Structure

The implementation of learning and organizational development at Ashtrom Group focuses on five strategic pillars, enabling a tailored response to the Group's professional, managerial, and regulatory needs, as well as to the specific requirements of its various business segments.

Responsibility for leading this area, developing the annual work plans, and monitoring their implementation is managed by the Head of Learning and Organizational Development, reporting to the Vice President of Human Resources.

The learning activities themselves are carried out by the Learning Team, which supports the business units and implements the learning programs while continuously updating content in response to emerging needs from the field and feedback received from participants.

The implementation of the programs is carried out in collaboration with the management of the Group's business divisions and leadership teams, with the aim of ensuring alignment between business needs and learning and development processes, as well as the effective application of knowledge and skills in the field.



Following learning activities, feedback surveys are conducted and serve as a tool for continuous improvement and for aligning the content and methodology with needs emerging from the field. The feedback findings and the analysis of participation trends form the basis for updating the annual work plans and strengthening learning areas in which competency gaps or a need for deeper professional development have been identified.



Five Strategic Pillars of Learning and Development

1. Professional Competence and Regulatory Compliance

Maintaining a high level of professional competence and complying with legal and regulatory requirements are fundamental conditions for the Group's responsible and safe operations.

In line with this principle, the Group conducts training programs, certifications, and professional refreshers required by regulation, with a particular emphasis on occupational health and safety. These training activities are implemented in accordance with an annual work plan and required renewal timelines, and are intended to ensure up-to-date knowledge, compliance with professional standards, and the reduction of operational risks.

2. Strategic Learning for Professional Excellence and Performance Improvement

Under this pillar, learning programs are implemented that are tailored to the professional needs of the Group's various business segments. Among the initiatives promoted during the year were:

- At **Ashtrom Construction**, cross-functional training sessions were delivered to execution teams in the field of electromechanical systems, with an emphasis on critical thinking, risk identification, and the proactive management of work processes.
- At **Ashtrom Residences** and **Ashtrom Residences for Rent**, emphasis was placed on enhancing negotiation and sales skills among the marketing and sales teams.
- At **Ashtrom Industries**, onboarding and training processes were strengthened, supportive tools and systems were implemented, and a professional community was established in the production domains, alongside deeper professional development for the sales teams.

Many employees participated during the year in external professional courses, seminars, and industry conferences. Participation in external studies is managed within a structured program that includes support of academic studies for employees with two or more years of tenure, covering up to 50% of tuition fees, subject to an annual cap.

3. Human Capital and Organizational Engagement

As a group with diverse business segments, we place great importance on strengthening the sense of belonging and engagement among all employees – from field teams to headquarters. During the year, we further reinforced organizational engagement through several key initiatives:

- Orientation Days for New Employees:** These sessions strengthen employees' connection to the Group by introducing them to the various business divisions, the organizational culture, and the unique benefits package offered to all Group employees.
- Strengthening Managerial Responsibility among Site Managers:** A dedicated professional conference was held for site managers, focusing on broadening industry perspectives, strengthening managerial skills, and developing the ability to engage and lead field teams in alignment with the Group's values.
- Improving Access to Knowledge through "Ashtrom Plus":** We continued to expand the "Ashtrom Plus" program, which provides all employees with access to professional and current content. This year, in-person sessions were introduced alongside online platforms, enabling employees across all business segments and geographic locations to connect to knowledge and take an active part in organizational learning.

4. Management and Leadership Development

The development of leadership levels, particularly middle management, serves as a key lever for execution quality, employee leadership, and the strengthening of the Group's managerial culture.

During the year, resources were invested in developing the managerial capabilities of middle managers through dedicated programs tailored to the characteristics of the Group's various business divisions. These programs focused, among other topics, on team leadership, effective communication, decision-making, and negotiation skills.

Examples of initiatives in this area include:

- Ashtrom Construction:** A dedicated program was developed for project managers, linking decision-making at headquarters with on-site implementation, and incorporating focused workshops on core skills such as team leadership, effective communication, and negotiation.
- Ashtrom Properties:** A middle-management development program was implemented, with a focus on fostering a culture of partnership and collaboration.

In 2025, the "Leading Forum" was established for CEOs, vice presidents, and senior functional managers across the Group. The forum serves as a regular platform for joint strategic thinking, advancing cross-organizational initiatives, and strengthening a shared leadership approach. During 2025, the forum convened six times and is expected to continue meeting regularly in the coming years.

5. Organizational and Process Changes

In 2025, a performance management process was implemented for middle management and above. As part of this initiative, core managerial competencies were defined for Ashtrom Group, reflecting a significant step forward in establishing a unified Group-wide management standard. The process contributed to strengthening a professional, aware, and responsive managerial culture, linking the values of professionalism and continuous improvement with the personal and professional development of the Group's employees.



Total and Average Training Hours by Gender, 2023–2025 (GRI 404-1):

Category	2023	2024	2025
Total Training Hours – Women	1,788	4,640	4,751
Total Training Hours – Men	17,625	18,492	24,864
otal Training Hours – All Employees	19,413	23,132	29,615
Average Training Hours – Women	3	10	11
Average Training Hours – Men	6	18	23
Average Training Hours per Employee	5	16	19

↗ 28%
in total training hours

↗ ~19%
in average training hours per employee

Open Dialogue with Employees

The Group maintains an ongoing dialogue with employees and remains attentive to needs arising from the field, with the aim of improving working conditions, strengthening employees' sense of belonging, and supporting the adaptation of organizational processes and employee development initiatives.

In 2025, an annual internal communications program was developed and implemented, led by the Internal Communications Manager, with the aim of fostering a culture of open dialogue and strengthening connections with employees. Dialogue with employees takes place through a variety of channels and initiatives, including ongoing communication between Human Resources managers and employees, internal initiatives designed to strengthen engagement, and feedback mechanisms integrated into employee development and learning processes.

Employee dialogue also serves as a basis for improving employment conditions and employee welfare. In response to needs raised by employees and in light of the challenges of the period, the Group expanded during the year the subsidized meal benefit provided to its employees.

In 2025, the Group expanded its digital presence on social media, including the presence on Facebook and Instagram pages that provide a glimpse into the Group's activities and the people behind them, helping to strengthen connections with both current employees and potential candidates. In addition, an updated version of the Group's and its business divisions' career pages was launched, supporting the "Employee Referral" recruitment channel, with an emphasis on a user experience tailored to employees and potential candidates. Furthermore, a mapping of internal communication channels was conducted across the Group's various sites, addressing the needs of different employee populations and diverse work environments, with the aim of adapting communication methods accordingly.



Workforce Diversity and Equal Opportunity

Ashtrum Group works to promote workforce diversity, equal opportunity, and inclusion, based on the understanding that a diverse work environment contributes to better decision-making, organizational resilience, and the creation of long-term business and social value. These principles are implemented throughout the employee lifecycle – from recruitment and promotion, to employment conditions and employee development – in accordance with applicable laws, the Group's Code of Ethics, and its Human Resources policies.

Responsibility for managing this area is integrated within the Group Human Resources division and carried out in collaboration with the management teams of the Group's divisions and subsidiaries. Management of the area is conducted through ongoing monitoring

of workforce characteristics, analysis of trends over time, and identification of potential gaps, with the aim of promoting equal opportunities and strengthening an inclusive organizational culture across all Group divisions.

Advancing Gender Diversity

The construction and industrial sectors are characterized by a high proportion of roles and professions traditionally considered male-dominated. Against this backdrop, the share of women employed at Ashtrum Group in 2025 reflects this structural bias; nevertheless, women represent approximately 29% of the Group's workforce.

The Group strives to increase the share of women in its workforce, including in management positions. In 2025, women represented 28% of senior and middle management positions across Ashtrum Group. The increase in the proportion of women in management roles during 2025 was partly attributed to an organizational process implemented as part of the managers' performance management framework. This process included refining,

improving, and standardizing the definitions of managerial roles and organizational levels. The process contributed to greater organizational transparency and to the consistent implementation of management role definitions across the Group's units.

Employee and Management Distribution by Management Level and Gender, 2023–2025 (GRI 405–1)

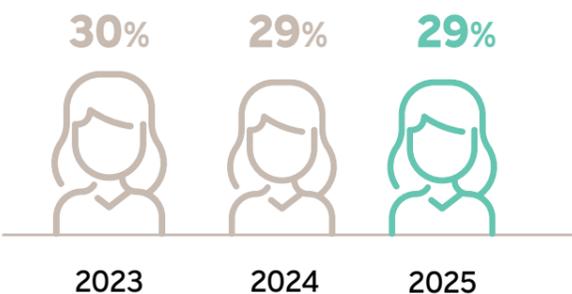
Category	2023			2024			2025		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executive Management	0	4	4	0	4	4	0	4	4
Senior Management ²²	10	65	75	9	51	60	8	55	63
Middle Management ²³	39	146	185	68	175	243	111	233	344
Non-Managerial Employees	402	903	1,305	349	799	1,148	327	788	1,115
Total Employees	451	1,118	1,569	426	1,029	1,455	446	1,080	1,526

²² Vice Presidents of each division and/or CEOs Subsidiaries

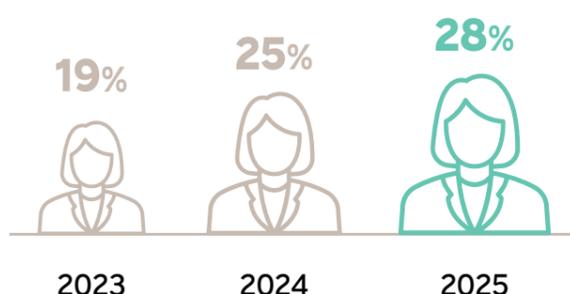
²³ Managers of departments / units



Share of Women in Ashtrum Group's Total Workforce



Share of Women in Management Positions at Ashtrum Group



Age Diversity

Ashtrom Group's workforce is characterized by a wide age distribution, contributing to the integration of professional experience, organizational knowledge, and innovation.

As of the end of 2025, approximately 38% of Ashtrom Group's employees are over the age of 50, of whom about 26% hold senior or middle management positions. In addition, approximately 16% of the Group's employees are over the age of 60. These figures demonstrate the Group's success in preserving organizational knowledge while combining extensive professional experience with up-to-date skills.

Furthermore, 49% of the Group's employees fall within the 31–50 age group, reflecting the Group's ability to attract and retain employees who are at the peak of their careers. These trends indicate organizational stability and growth, as well as the ability to foster a work environment that accommodates a diverse age range while integrating professional experience with innovation.

Employee and Management Distribution by Management Level and Age, 2023–2025 (GRI 405–1)

Category	2023				2024				2025			
	Under 30	30–50	Over 50	Total	Under 30	30–50	Over 50	Total	Under 30	30–50	Over 50	Total
Executive Management	0	1	3	4	0	1	3	4	0	1	3	4
Senior Managers – Vice Presidents of each division and/or CEOs Subsidiaries	0	34	40	74	0	22	38	60	0	26	37	63
Total Middle Managers (Department Managers)	0	119	67	186	1	154	88	243	12	222	110	344
Total Non-Managerial Employees	171	656	478	1305	151	529	468	1148	179	502	434	1115
Total Employees	171	810	588	1,569	152	706	597	1,455	191	751	584	1,526
Employees Over 60				261				262				244
of Employees Over 60 %				17%				18%				16%

~16%



of employees aged 60+

~9%



from the Arab community

~38%



of employees aged 50+

7.7 years



Average employee tenure



Employment of Employees from the Arab Community

Approximately 9% of Ashtrom Group's workforce are from the Arab community, a rate similar to that reported in 2024.

Employees from Underrepresented Groups by Management Level, 2023–2025 (GRI 405–1)

Category	2023	2024	2025
Number of Employees from Minority Groups (Arab Community) by Position and Gender	153	152	136
Women in Senior Management from Minority Groups	0	0	0
Women in Middle Management from Minority Groups	0	0	0
Women in Non-Managerial Positions from Minority Groups	0	1	1
Men in Senior Management from Minority Groups	0	0	0
Men in Middle Management from Minority Groups	4	6	10
Men in Non-Managerial Positions from Minority Groups	149	146	125

* Excluding Executive Management Members

Employment of Persons with Disabilities

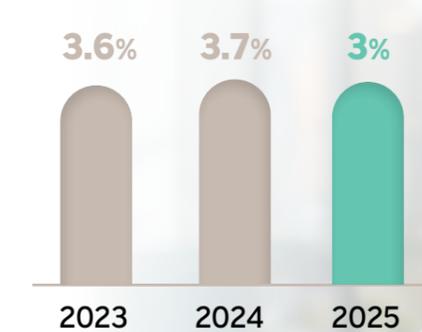
Ashtrom Group views the employment of persons with disabilities as both a significant social contribution and an important opportunity to promote inclusive employment. To this end, the Group collaborates with organizations specializing in the integration of persons with disabilities into the workforce, including Taasuka Shava ("Equal Employment"), "Ashnav", "AllGood" (which focuses on the employment of individuals coping with mental health challenges), "BeLev Echad" (supporting the integration of disabled IDF veterans into the labor market), and "Israel Elwyn".

These organizations support candidates throughout the training and integration process, enabling more precise recruitment and providing professional support. As part of this collaboration, the organizations are directed to the Group's careers page, allowing them to review available job opportunities and match candidates to relevant positions based on role requirements and their familiarity with the candidates.

In light of the large number of individuals injured during the "Iron Swords" war, the Group approached the Rehabilitation Department of the Israeli Ministry of Defense and offered to integrate disabled IDF veterans, both newly injured and veterans, into various roles within the Group.

Currently, approximately 3% of employees at the Group's headquarters are persons with disabilities (based on known declarations). This figure is based on employees who have voluntarily reported their disability status. The Group maintains stability in the proportion of employees with disabilities and continues to strengthen its efforts to achieve its stated target.

Employees with Disabilities at the Group Headquarters, 2023–2025 (GRI 405–1)



Equal Pay for Women and Men

The principle of equality is one of the core values of Ashtrom Group. The Group operates in accordance with the requirements of the Equal Pay Law and publishes the relevant reports on an annual basis. These reports indicate that the Group's compensation policy is applied fairly and without distinction between genders. Links to the reports [Ashtrom Group](#) and [Ashtrom Properties](#).

A Healthy and High-Quality Living Environment for Customers, Residents and Tenants

Ashtrom Group considers the quality of the living environment it creates for its customers, residents, and tenants an integral part of its business and social responsibility. The Group is committed to the planning, construction, and management of buildings and user environments that support the health, safety, comfort, and quality of life of their occupants.

This commitment includes reducing environmental nuisances, improving living and working conditions, and maintaining high standards of maintenance, service, and transparency. It also encompasses considerations related to safety and health, indoor air quality, lighting, acoustics, accessibility, user experience, and the handling of service requests, as part of a comprehensive risk management approach.

We view stakeholder engagement – including residents, tenants, and end customers – as a key tool for understanding needs, improving processes, and embedding operational standards over time that support a healthy, high-quality, and safe built environment.



Product and Service Safety

Ashtrom Group is a multidisciplinary global group operating across the industrial, construction and infrastructure, development, income-producing real estate, and energy sectors. Accordingly, the Group regards safety not only as a regulatory requirement, but as an integral component of product quality, service reliability, and the protection of end users' health and well-being.



Manufacturing and marketing of construction materials

Product safety management is carried out as part of the quality and regulatory system, in accordance with the requirements of applicable Israeli and international standards for construction materials. This includes, among other things:

- Compliance with quality, environmental, and safety standards, including the use and management of hazardous materials where required
- Implementation of safety standards and guidelines for addressing injury risks arising from the use of hazardous materials
- Use of Material Safety Data Sheets (MSDS) in accordance with regulatory requirements
- Product compliance and application testing, in line with Israeli standards and the standards relevant to each product
- Reporting, labeling, and product marking obligations, where required under applicable standards



Property development and planning

During the planning and development stages, considerations related to safety, accessibility, and operational aspects are integrated from the early phases of the project. The Group works to incorporate principles such as:

- Safe planning of buildings and shared spaces
- Compliance with regulatory requirements and safety standards
- Emergency preparedness considerations
- Accessible planning tailored to diverse populations



Construction and infrastructure

During the execution phase, the Group focuses on safety at construction sites through the following measures:

- Compliance with construction and safety standards
- Ongoing supervision, inspections, and controls throughout the different stages of work
- Addressing defects and non-conformities
- Ensuring safe working practices at construction sites



Property Management

The Group promotes safe, accessible, and protected living, working, and commercial environments through ongoing operational management that includes:

- Periodic safety inspections of critical systems, including fire detection and suppression systems, electrical systems, elevators, emergency signage, and physical protection measures
- Emergency preparedness measures, including emergency systems, generators, fire doors, fire-separated zones, and sprinkler systems, in accordance with the nature of the asset and applicable standards
- The implementation of oversight mechanisms, procedures, and professional supervision supporting safety management across properties
- Regular safety surveys and the remediation of identified deficiencies
- Use of two-way communication platforms for reporting hazards and safety issues, and for raising awareness among residents and tenants

Port LYFE • Bnei Brak



Management and Identification of Risks Related to the Health and Safety of Products and Services

The management of product and service safety at Ashtrom Group is integrated into the operational, quality, and safety systems of the Group's divisions, in accordance with the nature of activities in each business segment. Responsibility for implementation, monitoring, and risk management is embedded within the relevant professional units, including operations, maintenance, quality, safety, and information systems. These activities are overseen by the management of the Group's divisions and subsidiaries.

Product and service safety risks are identified and managed through safety surveys, periodic inspections, compliance with applicable standards, and risk assessments integrated into ongoing operations and maintenance processes. Findings from these reviews inform corrective actions and support the continuous strengthening of safety and service systems.

The Group operates mechanisms for reporting, addressing, and monitoring safety deficiencies and inquiries from residents, tenants, customers, and visitors through operational systems and dedicated communication channels. Issues are handled in accordance with established procedures, with documentation, follow-up, and resolution of gaps as part of ongoing service management.

As part of embedding product and service safety practices, dedicated training is provided to relevant role holders, including operations, maintenance, and property management teams, on topics such as safety, accessibility, and emergency preparedness. These trainings support the implementation of procedures, raise awareness, and strengthen a culture of safety and responsible service across the Group.

During the reporting year, no material cases of non-compliance with regulatory requirements, applicable standards, or internal procedures related to product and service safety were identified, including requirements for labeling, marking, and the provision of relevant information for safe use, where applicable.

Quality and Safety Management of Products and Services

Ashtrom Group implements rigorous quality standards, including **ISO 9001:2015**, across most of its operations. The Group also expects its subcontractors to operate in accordance with the high standards it applies and to promote similar quality standards in their activities.

Part of Ashtrom Construction activities is carried out with the support of subcontractors, who are also required to comply with the **ISO 9001:2015** quality standard applied by Ashtrom Group. The requirements for implementing the standard are defined within the contractual agreements with subcontractors. Subcontractors are required to appoint their own quality control teams, which operate under the supervision of the quality control managers representing Ashtrom Group.

The implementation of the **ISO 9001:2015** standard by Ashtrom Industries enables the company to improve its manufacturing and marketing processes, enhance customer satisfaction, and reduce business risks.

Factory BG BOND

Promoting Physical and Digital Accessibility

Ashtrom Group works to promote physical accessibility for persons with disabilities as an integral part of the ongoing operational management of its properties and activities. Accessibility is managed in a centralized and structured manner across all business segments, with particular emphasis on income-producing properties, sales offices, and sites open to the public.

Responsibility for accessibility management is within the Human Resources division through a dedicated function, in collaboration with property and maintenance managers. Accessibility considerations are addressed as an integral part of the management of existing properties as well as projects in the planning stages.

The Group conducts accessibility surveys and dedicated inspections across its properties, alongside ongoing monitoring as part of maintenance, renovation, and change-

of-use processes. Identified accessibility deficiencies are documented and addressed according to their nature and defined timelines, in coordination with the relevant professional teams.

In addition, dedicated communication channels are available for residents, visitors, and customers to address accessibility-related inquiries, supported by a structured mechanism for handling such requests. Ongoing monitoring, trend analysis, and continuous improvement processes are also conducted.

In 2025, Ashtrom Group continued to advance digital accessibility in accordance with the Service Accessibility Regulations for Persons with Disabilities. The Group's digital assets in Israel were made accessible. In addition, a digital platform for managing the Group's websites was launched, streamlining the digital accessibility process, and all files – including reports and disclosures – were made accessible.





Customers, Residents and Service Experience

Ashtrom Group invests in the continuous improvement of customer service processes across the Group, with the aim of strengthening the trust of purchasers and residents and providing accessible, efficient, **and consistent service throughout the lifecycle of the project and the property.**

Within Ashtrom Industries, various customer service mechanisms are in place, tailored to the nature of the activities and the needs of customers across its subsidiaries. The handling of inquiries and complaints is conducted through structured processes, with an emphasis on short response times, ongoing monitoring, and the continuous improvement of the customer experience.

In some of its subsidiaries, dedicated information systems are used to manage and document customer inquiries, including updates to customers throughout the handling process. In addition, periodic customer satisfaction surveys are conducted among key clients in certain subsidiaries to support learning and the identification of improvement opportunities.

Furthermore, advanced digital solutions are being evaluated to enhance service accessibility and availability, with a focus on providing efficient, continuous, and transparent support throughout all stages of engagement with customers.

Ashtrom Residences continues to enhance its service processes and monitoring of service quality, with a

Einstein • Ramat Aviv

focus on creating a positive customer experience. Ashtrom Residences engages with its customers throughout the many stages of a project – from the initiation phase through key handover to landowners or purchasers and the registration of ownership rights in the Land Registry.

Each of the five departments within Ashtrom Residences operates a dedicated customer service function, designed to provide customers with immediate and professional support from the most relevant unit addressing their needs. Ashtrom Residences places significant importance on learning from customer inquiries and ensuring prompt and effective responses to customer needs.

Ashtrom Residences has developed a residents' portal that is currently operating in most of its projects. The portal enables purchasers to view their up-to-date account status, access key contract documents, submit inquiries to the relevant service departments within Ashtrom Residences based on the selected topic, and receive relevant information.

Ashtrom Residence for Rent continues to develop and expand the service and community offering for its residents, with the aim of creating a high-quality, convenient, and innovative living environment:



Customer Service and Process Optimization:

During the year, numerous workshops and training sessions on customer service were conducted to strengthen the interface between Ashtrom Residences for Rent and its residents, and to further improve and streamline the service framework.



Customer Service and Process Optimization:

The My Ashtrom Rent residents' portal serves as a platform for managing digital services and maintaining continuous and transparent communication with residents. The portal enables digital agreement signing, payments, booking of the gym and residents' club facilities, submission of maintenance requests, registration for events, and reservation of shared spaces. In 2024, the portal was also launched as a mobile application, providing residents with convenient access to services and updates.



Communication Channels with Residents:

Closed WhatsApp groups are operated alongside periodic newsletters and physical notice boards placed across the projects, providing updates on upcoming events and new services.



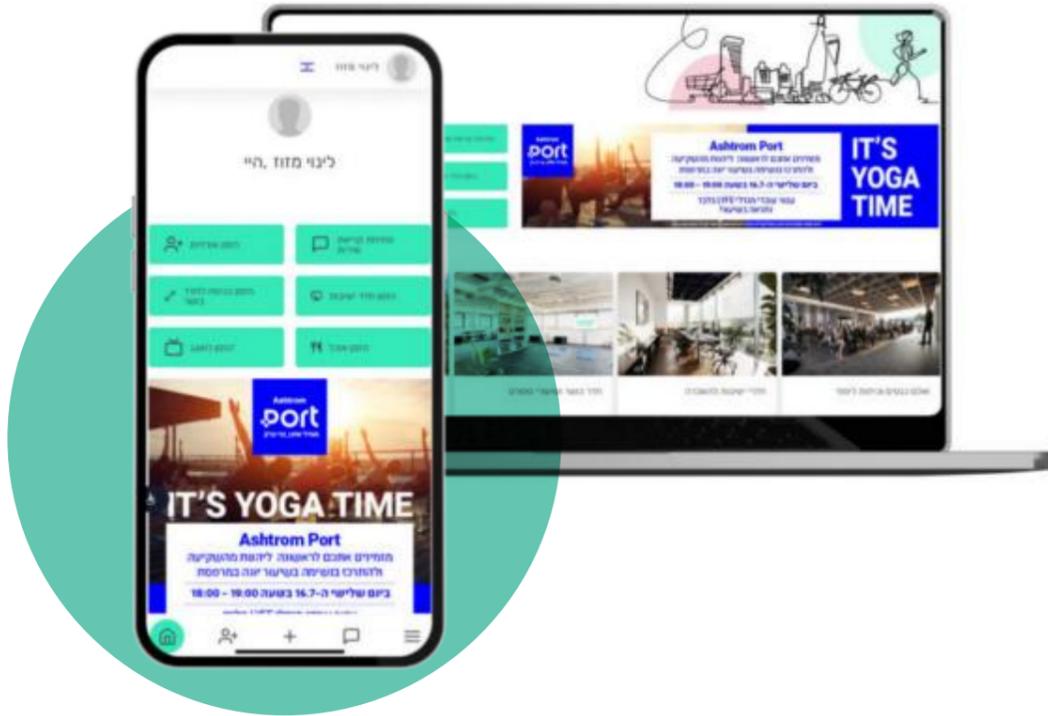
Community Activities and Strengthening Neighborly Relations:

Experiential events are organized to foster connections among residents and encourage the development of social ties, alongside support for a variety of community groups and dedicated activities.



Dedicated Community Infrastructure:

Residents' clubs, fitness rooms, and shared spaces are provided, with infrastructure expanded beyond the scope defined in the development agreements, with a particular emphasis on strengthening community gathering spaces.



Ashtrom Properties provides each of its properties with **a comprehensive suite of professional management and maintenance services** delivered to the highest standards, with a strong emphasis on **tenant experience**. The company strives to create **comfortable, pleasant, and innovative living and working environments** that enable an optimal user experience and support tenants' everyday needs.

The **Digital Ashtrom Host portal** offers a convenient, accessible, and comprehensive service experience for all tenants. Through the portal, tenants can perform a variety of actions, including **submitting service requests for maintenance issues, inviting and registering guests, booking community facilities such as gyms and classrooms, registering for classes, and accessing a range of content services** – all through an efficient and user-friendly interface.

Fairness and Ethics Toward Residents

Our stakeholders, foremost among them homebuyers and property residents in Israel, are facing rising housing demand and increasing living costs. Ashtrom Group is committed to acting fairly and with integrity toward its stakeholders, through ongoing engagement and the continuous examination of ways to improve the solutions it offers.

These efforts include the development and construction of residential projects that promote a sense of community through Ashtrom Residences, alongside a range of long-term rental housing options offered at a significant discount to market prices for individuals eligible under Ministry of

Housing programs, as part of the activities of Ashtrom Residences for Rent. These efforts are accompanied by the development of infrastructure and the promotion of social and transportation accessibility for the benefit of residents in these properties.

Ashtrom Properties conducts an extensive annual review of rental and management fees prevailing in the market. For this purpose, a dedicated file was developed for periodic completion by a survey and market research institute, serving as a database for the marketing team and enabling informed decision-making and market-based pricing grounded in exclusive data sources.



Promoting Community Resilience

Residents and Local Communities – The Social Impact of Core Activities

The Group's activities in managing income-producing properties, developing residential projects, and advancing long-term rental housing shape the built and social environments in which communities operate. These activities influence daily life, residents' sense of belonging, and the functioning of communities surrounding the Group's properties, underscoring the importance of this issue.



HaMashtela Project • Tel Aviv

Managing Community Life Throughout the Property Lifecycle

Planning and Development Stage

During the planning, development, and construction phases, the Group strives to mitigate potential negative social impacts and lay the foundation for future community resilience. At this stage, emphasis is placed on aligning project characteristics with the existing urban environment, the attributes of the local population, and the intended uses of the property. This approach takes into account potential impacts on daily life, public spaces, and the social continuity of the surrounding community.

Ashtrom Residences promotes residential projects, including large-scale urban renewal initiatives based on evacuation and reconstruction (Pinui-Binui) in existing urban areas. These activities increase the supply of housing units, revitalize established neighborhoods – and integrate public, educational, and community infrastructure as an integral part of project planning.

Ashtrom Properties promotes mixed-use developments that integrate employment, commercial, residential, and leisure spaces, with an emphasis on open areas, accessibility to public transportation, and the creation of spaces that encourage interaction, activity, and connection to the urban fabric.

Ashtrom Residences for Rent develops long-term rental complexes that incorporate shared spaces, reflecting a community-oriented approach to its properties.

Operational and Ongoing Management Stage

During the operational phase, ongoing engagement with residents is managed through:



Managing continuous relations with tenants by asset managers and operational teams.



Operating communication channels for inquiries, feedback, and the handling of issues arising from day-to-day operations.



The implementation of community activities within rental residential complexes, as part of strengthening the resident experience, social continuity, and the community fabric within the property.

Long-Term Rental Housing as part of Community Resilience

The activities of **Ashtrom Residences for Rent** constitute a key component in promoting community resilience by fostering housing stability, residential continuity, and a lasting sense of belonging among residents.

The model is based on long-term professional management, the integration of diverse populations, and responsiveness to the evolving needs of residents. It provides a foundation for functional, connected, and stable residential communities.

Ashtrom Residences for Rent plans, develops, and manages long-term rental apartments, most of which are built under government tenders that allocate 25%–50% of the units to tenants eligible under the Ministry of Housing and Construction programs. In addition, the rental agreements stipulate that these eligible tenants pay 20% below market rental rates for a period of up to 10 years.

The share of long-term rental housing offered at regulated prices currently stands at approximately **33%** of the total rental units managed by Ashtrom Residences for Rent (410 units out of 1,255, including the student dormitories in Be'er Sheva).

Kiryat HaYovel • Jerusalem



Income – Generating Properties

	No. of Units	Units for Eligible Tenants	Market
Neot Peres Haife	184	46	138
Neve Ofer Tel – Aviv	370	92	278
HaMishtala Tel Aviv	176	44	132
Hadassah Jerusalem	396	99	297
Student Dormitories – Be'er Sheva	129	129	0
Total	1,255	410	845

Projects in Planning

	No. of Units	Units for Eligible Tenants	Market
Neve Ayalon Or Yehuda	176	0	176
International Quarter Lod	310	155	155
Bnei Brak	248	124	124
Tel HaShomer South Ramat Gan	139	70	69
Beer Yaakov	282	141	141
Beit Kasser Tel Aviv	Under planning. Not yet determined		
Doctors Residence Tel Hashomer Ramat Gan	999	700	299
Total in Planning	2,154	1,190	964



Managerial Responsibility and Institutionalizing Community Engagement

During 2025, the Group initiated the recruitment of a Community Relations Manager to lead the management of relationships with local communities throughout the lifecycle of its properties and projects.

At the same time, responsibility for the ongoing engagement with residents and communities within the Group's properties rests with the management teams of the subsidiaries, property managers, and project managers, as part of their routine operational management responsibilities.



Donation of paint to a gym in the Gaza Envelope

Advancing Community Resilience and Community Support

Ashtrom Group views contribution to the community as an integral part of its values and of the role it seeks to play in supporting Israeli society. The Group operates in accordance with a structured **community investment policy** that focuses on encouraging employee volunteering and supporting a wide range of social and community initiatives, alongside financial contributions to organizations and non-profits active in various fields.

Accordingly, donations will not be made to private individuals or to activities that directly or indirectly support political activities, religious

institutions, sports organizations (except for those established to support at-risk populations and that have no connection to local authorities that may influence Ashtrom Group's activities), regulatory bodies, local authorities, or institutions that may grant – or appear capable of granting – any benefit to the business activities of Ashtrom Group. In addition, donations will not be provided for initiatives that promote marketing or advertising activities for the Group.

Ashtrom Group's community activities are diverse, and since the outbreak of the "Swords of Iron" war, they have also included assistance with harvesting and packaging, renovation and painting of

community spaces, and responding to urgent community needs across Israel. The Group also initiates community activities and continues to promote values of mutual responsibility and cooperation with local stakeholders.

Ashtrom Group has set a target to allocate approximately 0.5% of its net profit before tax from the previous year to community contributions.



Total donations in 2025 amounted to:

2,487 NIS
thousand

Approximately **1.1%**
of net profit before tax²⁴ for 2024



²⁴. Calculated based on the previous year's net profit before tax, excluding one-off gains.

Ashtrom Embraces Families and Supports the Home Front

Activities for Employees and Their Families

In 2025, as the **"Swords of Iron" war** continued, Ashtrom Group worked to ensure business continuity while providing a comprehensive response to the needs of employees and their families, including support for young parents affected by the closure of educational frameworks and assistance for evacuees from conflict areas.

Employees who were evacuated from their homes were offered furnished alternative housing and funding for hotel stays during the initial adjustment period. The Group maintained ongoing and transparent communication with employees through email and SMS updates, alongside managers' conversations and personal support provided by Human Resources managers.

Support for Employees During Operation "Am KeLavi"

During the operation days, employees of Ashtrom Group who were defined as essential workers continued to report to work in order to maintain operational continuity. During this period, the Group ensured that meals and various gestures of appreciation were delivered to activity sites and headquarters, as a token of gratitude for employees' commitment during a challenging time of uncertainty.

Support for Employees Serving in the Military Reserves

The Group closely supported employees called up for reserve duty under emergency orders ("Tzav 8") and their families throughout the period. In May, a special appreciation event was held at the Zappa Club in Herzliya for employees who had served more than 30 days in reserve duty since the beginning of the war. Employees' spouses were also invited, and together they enjoyed an evening of appreciation that included dinner and a stand-up performance by Adir Miller.

Strengthening Ties with the Families of the Hostages

The Group strived to strengthen its engagement with the Hostages Families Forum, expressing solidarity with the families while supporting efforts to raise awareness of the need to secure the return of all hostages.

As part of these efforts, an interview with Daria Israeli (an employee of Ashtrom Residences), a family member of the then-hostage fallen soldier Staff Sgt. Itay Chen was shared on the Group's official social media channels. Chen was killed after fighting bravely in a heroic battle at the Nahal Oz base.

In addition, a lecture was held at the Group's headquarters and broadcast remotely to all employees. The lecture was delivered by the daughter of the then-hostage fallen soldier Lior Rudaeff who was killed while defending his home kibbutz, Nir Yitzhak, during the attacks.

To mark the second anniversary of the October 7 attack, content from the Hostages Families Forum was displayed on the Group's internal screens, memorial stations were set up, and memorial ceremonies were held across the Group's business units.



Progress Toward Targets

EXCHANGE Tower • Ramat Gan

By 2030

30%

women in senior and middle management positions

The share of women in management increased from 25% to 28%

By 2030

0.5%

Community contributions amounting to 0.5% of net profit before tax²⁵

In 2025, community contributions amounted to approximately 1.1% of net profit before tax for 2024

²⁵. Calculated based on the previous year's net profit before tax, excluding one-off gains

By 2030

Reduction in workplace accidents, with a **TRIR of 1** for Ashtrom Group employees.

The Total Recordable Incident Rate (TRIR) was 2.5 this year.



By 2030



Expanding employee participation in regular and ongoing volunteering initiatives

In 2025, a Community Relations Manager function was recruited to support the advancement of this area.

By 2030

4%

persons with disabilities in the workforce at Ashtrom Group headquarters.

During the year, a dedicated function was established to lead this area, and cooperation with additional non-profit organizations was expanded to support improved placement and integration of employees within the Group.

EXCHANGE Tower • Ramat Gan

Ethical Business Environment

The Ethical Foundation of Ashtrom Group

At Ashtrom Group, we are committed to conducting our business in an ethical and fair manner and in full compliance with applicable laws and regulations. We strive to manage our operations with integrity and fairness, guided by the belief that consistent and uncompromising ethical conduct is essential to earning the trust of our employees, customers, business partners, suppliers, and all other stakeholders. Such conduct is key to our long-term success.

LYFE Towers • Bnei Brak

Ashtrom Group's Code of Ethics

Ashtrom Group is committed to conducting its business with integrity, fairness, and ethical conduct. It views this as a fundamental condition for building long-term trust with its customers, business partners, suppliers, employees, and shareholders. The Group believes that a consistent and uncompromising commitment to these values is key to its continued success.

This commitment is anchored in the Group's **Code of Ethics**, which defines the principles guiding its conduct and emphasizes values of integrity, respect, responsibility, and transparency. The Code of Ethics serves as a foundation for the Group's organizational culture. It establishes clear standards for professional and ethical conduct across all levels of the organization and throughout its business activities.

The Code does not seek to address every possible situation, but rather serves as a values-based compass and provides tools for informed decision-making in day-to-day conduct. Beyond compliance with applicable laws and regulations, every manager and employee across the Group is expected to act with high standards of integrity and fairness, both personally and professionally, in every interaction with colleagues, customers, suppliers, business partners, shareholders, authorities, and the public.

In addition, Ashtrom Group seeks to engage and work with contractors and suppliers who conduct their business in compliance with the law, with fairness and integrity, and with a commitment to avoiding corruption and unethical practices.

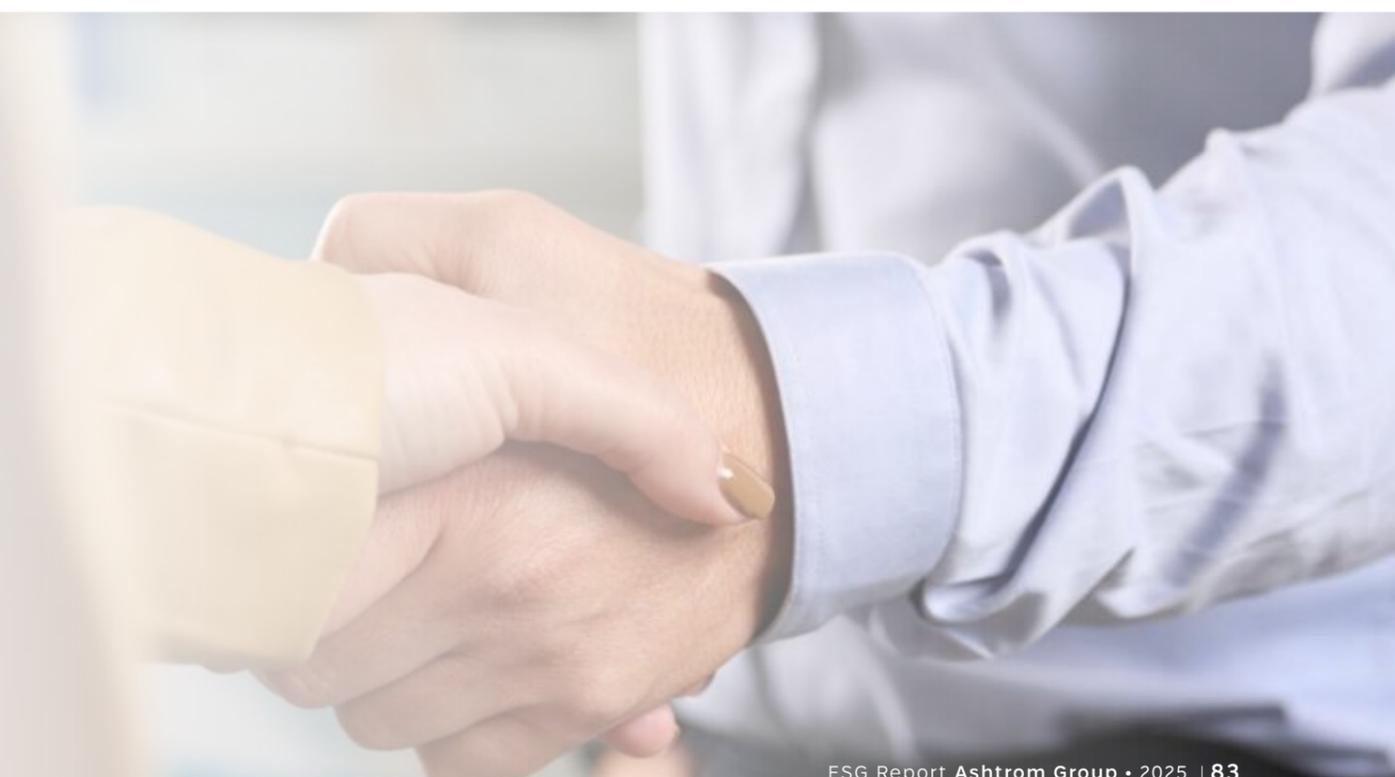
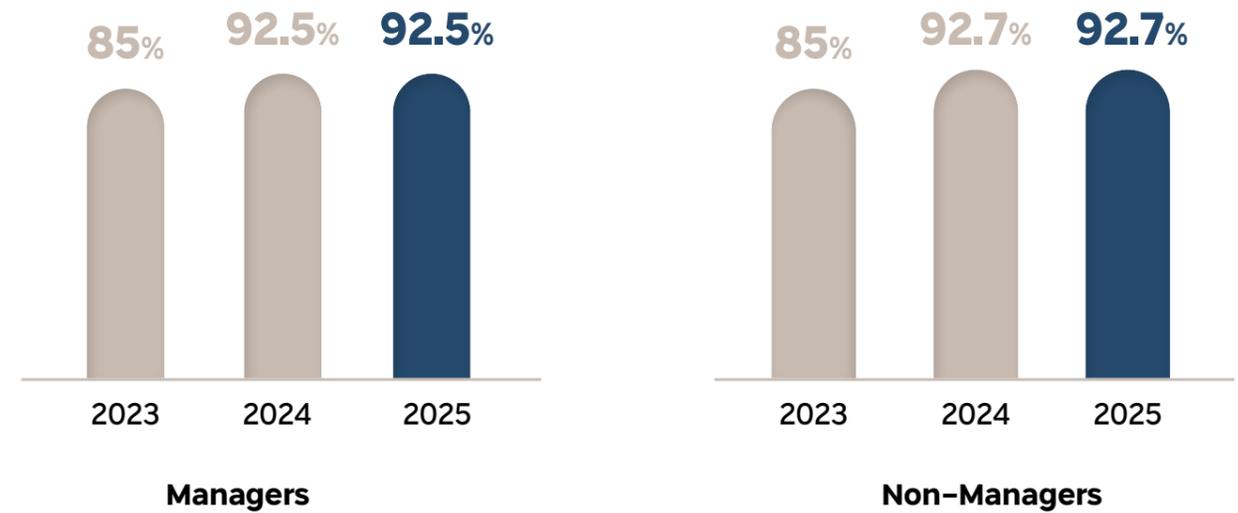
The Group encourages its employees to consult with the appropriate authorized personnel in cases of uncertainty regarding the proper course of action. It also operates various reporting mechanisms, including the option for anonymous reporting. All reports are taken seriously and reviewed accordingly, and where necessary, disciplinary measures are implemented.

The Code of Ethics was reviewed and updated every two years to ensure its continued relevance and effectiveness. In 2025, an additional update to the Code was carried out. All Group employees are required to read and formally acknowledge the Code as part of an ongoing annual process, and to participate in ethics training, either through in-person sessions or via a dedicated e-learning module.

During 2025, ~ 90% of the Group's employees read and acknowledged the Code of Ethics.



Share of Employees Who Signed the Code of Ethics, by Management Level (GRI 205-2)





Port LYFE · Bnei Brak

Prevention of Bribery and Corruption

Ashtrum Group is committed to fair and transparent business conduct and maintains a zero-tolerance approach toward bribery and corruption, which are contrary to the Group's values of integrity and business ethics and pose risks to its reputation, financial exposure, and potential criminal or administrative sanctions. As part of its ongoing activities, the Group works to raise awareness among employees, establish structured work processes, and implement a compliance program aimed at preventing bribery and corruption.

The Anti-Bribery and Corruption Policy outlines guidelines, procedures, and resources for addressing related risks. It was developed following an in-depth risk assessment aimed at identifying key risk areas across the Group's divisions, taking into account geographic, business, and sector-specific characteristics.

The procedures include, among other things, requirements for documenting expenses and a prohibition on any actions that could create the appearance of bribery or corruption, even if they do not constitute an actual violation.

The Group strives to raise awareness among its employees, establish structured work processes, and implement dedicated policies and procedures for the prevention

of bribery and corruption. This policy applies to all Group activities and to its employees, officers, and relevant role holders, and serves as a binding framework for conduct in dealings with suppliers, contractors, and business partners.

The Group requires that any suspicion of a violation of the anti-bribery and corruption policy be reported to the relevant function. Failure to report information indicating a potential violation will itself be considered a breach of the policy.

In each business division, two individuals have been appointed to oversee the area – the CEO and the relevant Vice President – who are responsible for implementing the policy and conducting ongoing oversight. They participate in training and refresher sessions on the topic at least once a year, which also serve as confirmation and commitment by the relevant employees to familiarize themselves with the policy and act in accordance with it.

As part of the Group's Internal Auditor's annual audit plan, ad hoc reviews are conducted periodically, as needed and at least once a year, to assess compliance with the Group's anti-bribery and corruption guidelines. The findings of these reviews are presented to the Group's management and Board of Directors, including the Audit Committee.

During 2025, one case of embezzlement was identified, which resulted in the dismissal of five employees.

Communication and Training on Anti-Corruption Policies and Procedures, 2023–2025 (GRI 205–2)

	2023	2024	2025
Share of board members trained on anti-corruption policies and procedures	100%	100%	100%
Share of employees to whom the organization's anti-corruption policies and procedures were communicated	100%	100%	100%

Confirmed Incidents of Bribery and Corruption, 2023–2025 (GRI 205–3)

	2023	2024	2025
Total Number and Nature of Corruption Incidents	0	0	1
Total Number of Confirmed Cases in Which Employees Were Dismissed or Subject to Disciplinary Action Due to Corruption	0	0	1
Total Number of Cases in Which Contracts with Business Partners Were Terminated or Not Renewed Due to Corruption-Related Violations	0	0	0
Public Legal Cases Related to Corruption Brought Against the Organization or Its Employees During the Reporting Period and Their Outcomes	0	0	0

Compliance with Laws and Regulations

The Compliance Approach of Ashtrom Group

Ashtrom Group places the highest importance on compliance with applicable laws and regulations and works to implement procedures that support adherence to these requirements. Employees across the Group are responsible for complying with all laws and regulations applicable to its activities. Unlawful conduct by employees may also expose the Group to risk; therefore, the Group acts diligently to prevent such conduct to the greatest extent possible.

During 2025, no material cases of non-compliance with internal or external regulations were identified, including material claims related to ethical matters, corruption, information security and privacy, breaches of the Code of Ethics, or violations of labor laws and the compliance policies of the Group's divisions and its subsidiaries.

Administrative Enforcement Program in the Field of Securities

Ashtrom Group places great importance on compliance with the law, particularly with securities laws and the Companies Law, viewing this as a central value in ensuring the Group's continued success in Israel and abroad. Accordingly, Ashtrom Group

has developed an enforcement program designed to implement the principle of proper disclosure as a cornerstone of sound corporate conduct and the preservation of the Group's reputation, which has been built through years of excellence.

The program applies to **all Ashtrom employees**, across all levels and areas of activity, and is intended to prevent, detect, and address violations of securities laws and the Companies Law, while also supporting the implementation of lessons learned and the continuous improvement of enforcement mechanisms.

The enforcement mechanisms include a designated Compliance Officer and an Enforcement Committee (the Audit Committee), comprising at least three directors, including at least one external director. The Committee is responsible for appointing the Compliance Officer, overseeing the program, addressing violations, and drawing lessons from identified cases. It also works to ensure the effective implementation of the program and to address any deficiencies where necessary.

In 2022, the enforcement program was implemented among all relevant employees and it includes dedicated training sessions held periodically as part of an ongoing process to strengthen awareness and accountability in this area. The Compliance Officer is the Group's external legal counsel, who reports to the Board of Directors on this matter approximately every six months. During 2025, the relevant employees participated in the annual training on the subject.

Fair Competition and Responsible Marketing

The Group operates in accordance with competition and antitrust laws and is committed to responsible, reliable, and transparent marketing communications. During the reporting period, no legal proceedings were initiated in connection with anti-competitive conduct, violations of competition laws, or non-compliance with requirements relating to information, labeling, or marketing communications. The Group maintains compliance with competition laws through ongoing measures, including annual training sessions and the use of a dedicated e-learning module on the subject.

Incidents of Anti-Competitive Behavior, 2023–2025 (GRI 206–1)

Topic	2023	2024	2025
Legal Actions for Anti-Competitive Behavior, Antitrust, and Monopoly Practices	0	0	0
Outcomes of Concluded Legal Actions for Anti-Competitive Behavior and Antitrust Violations	0	0	0
Total Number of Cases of Non-Compliance with Regulations and/or Voluntary Codes Relating to Marketing Communications (Including Advertising, Promotion, and Sponsorship), by Outcome: Fine or Warning	0	0	0

Marketing and Labeling of Products and Services, 2023–2025 (GRI

Topic	2023	2024	2025
Requirements for Product and Service Information and Labeling	0	0	0
Incidents of Non-Compliance Related to Product and Service Information and Labeling	0	0	0
Incidents of Non-Compliance Related to Marketing Communications	0	0	0



Customer Privacy (GRI 418-1), 2023-2025:

Substantiated complaints concerning breaches of customer privacy and losses of customer data



Privacy Protection and Information Security

Ashtrom Group works to protect the privacy and information security of its employees, customers, and business partners, and implements a compliance and risk management framework in accordance with applicable laws and regulatory guidelines.

The Group has developed and implemented comprehensive and updated **policies and guidelines in the areas of cybersecurity and privacy protection**, including adjustments in line with Amendment 13 to the Privacy Protection Law. These include, among other things, guidelines relating to the protection of information systems and infrastructure, identity and access management, password policies, authentication, backup and recovery, physical security, documentation, monitoring and control, and the management of cyber incidents.

The Group also operates a cyber incident monitoring center. In addition, it continued to enhance its monitoring and response capabilities across the Group's IT assets and networks, and completed security assessments and penetration tests for technological systems, including those that contain the Group's data repositories.

In 2025, a dedicated department was established to centralize the areas of

privacy protection, regulatory compliance, risk management, and cybersecurity across the Group. During the year, regular meetings of the steering committees responsible for regulation, artificial intelligence, and privacy protection were held on a periodic basis.

The area is managed by the Cybersecurity and Privacy Protection Manager and is reviewed periodically in meetings of the Board of Directors. Starting from the reporting year, the Group provides quarterly updates on this matter to the Board.

In 2025, the Group implemented an advanced system for data loss prevention and access control, considered among the leading solutions in the market. At the same time, the Group invested significant resources in the deployment of new security technologies and the upgrade of existing security components. In addition, the Group strengthened its privacy governance framework, including the advancement of privacy impact assessment processes, the reinforcement of accountability and compliance functions, and the improvement of control validation processes, such as penetration testing and risk assessments.

In addition to the activities described above, the Group maintains an expanded cyber insurance policy designed to protect against cyber-related damages, including

financial, legal, and operational risks that may arise from cyber incidents such as unauthorized access to information systems, data breaches, or disruption of digital services within the Group's IT network.

The insurance policy provides a range of coverages, including expenses for incident management, data recovery, ransom payments in the event of extortion attacks, and compensation for loss of income resulting from business interruption. It also includes coverage for third-party claims or regulatory actions related to privacy violations or data breaches, all subject to the terms and conditions of the policy.

The Group continued to implement ongoing periodic training programs to enhance employee awareness of evolving cyber threats and updated regulatory requirements. As part of these efforts, approximately 69% of the Group's employees completed at least one training session.

The updated cybersecurity and privacy protection policy was distributed and implemented among the relevant populations within the Group through digital learning systems, training programs, accessible documentation, e-learning modules, and awareness

exercises. In addition, a dedicated one-day cybersecurity and privacy protection exercise was conducted for representatives of the Board of Directors and the Group's management, addressing regulatory developments following Amendment 13 to the Protection of Privacy Law.

During 2025, the Group experienced several attempted cyberattacks aimed at gaining unauthorized access to the organization's information assets. Despite these threats, the Group acted to mitigate risks and prevent any impact on its operations or exposure of sensitive information through the implementation of advanced security layers, continuous monitoring and response mechanisms, and structured incident management processes based on established procedures, including investigation and lessons learned.

During the year, the Privacy Protection Authority identified non-compliance with Regulation 15 in relation to risk management and engagement with external suppliers. The issues raised were fully addressed. In addition, during 2025 the Group reported a suspected intrusion into one of its databases following a proactive penetration test conducted on the Group's initiative.

Board of Directors Ashtrom Group

Composition of the Board of Directors and the Group's Management

Ashtrom Group's Board of Directors consists of seven members. As of December 31, 2025, three of them (43%) serve as external directors, of whom two are women (67%). All three external directors possess financial expertise, including the education and experience required to ensure a deep understanding of financial statements and the ability to assess the financial aspects of the Group's activities.

In addition, the Board includes directors who bring extensive managerial experience across a wide range of fields, including real estate, security, and finance.

The process of identifying and appointing Board members is conducted with consideration for professional qualifications and experience relevant to the organization's needs and activities, while maintaining the Board's independence and promoting gender diversity.

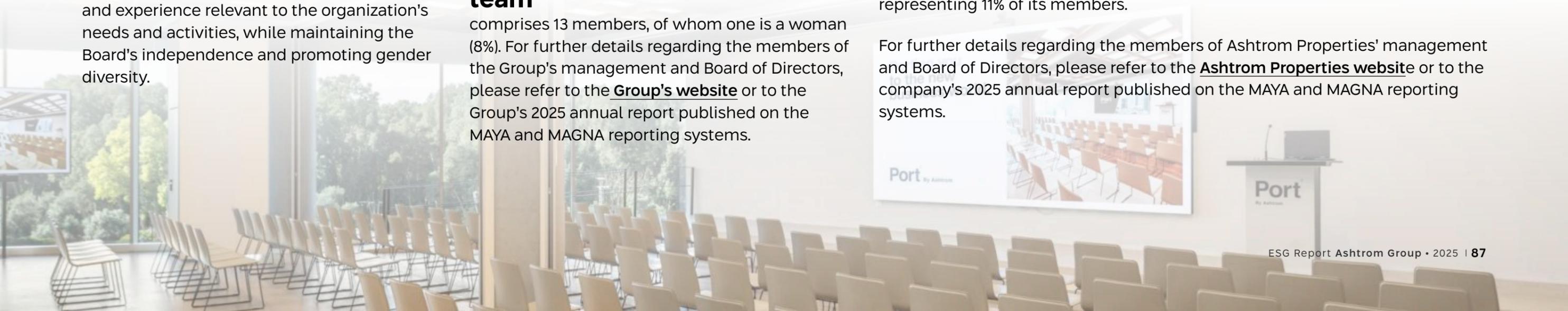
Name	Avraham (Rami) Nussbaum	Gil Gueron	Yonatan Levy	Ofer Zahavi	Amalia Paz	Eliezer Shkedi	Limor Danesh
Independent Director / External Director	✗	✗	✗	✗	✓	✓	✓
Background	B.A. in Economics, Tel Aviv University	B.Sc. in Civil Engineering, Technion	B.Des. in Design, Bezalel Academy of Arts and Design, Jerusalem	B.A. in Economics and an M.B.A., Tel Aviv University	B.A. in Economics and Accounting, Ben-Gurion University of the Negev. Certified Public Accountant (CPA).	B.Sc. in Mathematics and Computer Science, Ben-Gurion University	B.A. in Economics and Management, The College of Management Academic Studies; LL.M., Bar-Ilan University
Audit	✗	✗	✗	✗	✓	✓	✓
Compensation Committee	✗	✗	✗	✗	✓	✓	✓
Financial Statements Review Committee	✗	✗	✗	✗	✓	✓	✓

Ashtrom Group's management team

comprises 13 members, of whom one is a woman (8%). For further details regarding the members of the Group's management and Board of Directors, please refer to the [Group's website](#) or to the Group's 2025 annual report published on the MAYA and MAGNA reporting systems.

Two women serve on the Board of Directors of **Ashtrom Properties**, representing 25% of the Board. One woman serves on the company's management team, representing 11% of its members.

For further details regarding the members of Ashtrom Properties' management and Board of Directors, please refer to the [Ashtrom Properties website](#) or to the company's 2025 annual report published on the MAYA and MAGNA reporting systems.





The Work of the Group's Board of Directors

The statutory Board committees include the Audit Committee, the Financial Statements Review Committee, and the Compensation Committee. In addition, the Audit Committee also serves as the Administrative Enforcement Committee in accordance with the administrative enforcement program in the field of securities law.

The Audit Committee is composed entirely of external directors, all of whom possess financial expertise. The Committee convenes as needed for various discussions and at least once a year in the presence of the Internal Auditor and the External Auditor, and without the presence of officers, in order to review deficiencies in the management of the corporation.

During the reporting year, the Audit Committee reviewed and monitored the existing arrangements for handling complaints submitted by Group employees regarding deficiencies in the company's management, including the protection mechanisms provided to employees who submit such complaints.

Board Discussions on Strategy and Risk Management

Board meetings include discussions on the Group's short- and long-term strategy, focusing on a review of the various areas of activity, including the expected scope of operations in the coming years. These discussions also address potential areas for future development, anticipated market trends, and macroeconomic factors that may shape the Group's activities in the years ahead.

Within this framework, the Board analyzes parameters relating to operational profitability, the Group's debt structure, and the resources required, and formulates policies and strategies that support sustainable growth and the realization of the Group's vision.

In addition, given the nature of Ashtrom Group's activities, which involve a wide range of projects focused on plans, budgets, and frameworks for approved initiatives, the Board delegates responsibilities to designated and senior managers as part of the ongoing decision-making process, at the required frequency and subject to appropriate reporting mechanisms. The Board's work is evaluated based on the quality and extent of the members' involvement and their contribution to advancing the Group's activities.

Risk management within the Group is overseen by the Board of Directors as part of its ongoing work and is implemented in practice through management, control, and reporting processes carried out by the Group's

management and professional units. These processes address, among other areas, risks related to environmental matters, safety and occupational health, climate risk management, compliance, ethics, and the prevention of corruption, as detailed in the relevant sections of this report.

Market risk management within the Group is overseen by the Group's Chairman, who reports to the management and the Board of Directors on the risks examined and presented in Ashtrom Group's financial statements. The Board oversees risk management and holds ongoing discussions on market risks as part of its strategic decision-making processes.

Board Discussions on Innovation and Sustainability

During the year, members of the Board of Directors participated in a review session on the Group's annual ESG activities. In addition, senior executives across the organization were assigned responsibilities for managing sustainability within their respective areas of activity and expertise across Ashtrom Group.

Furthermore, as part of the Board's discussions on annual work plans, ESG targets were presented for the first time within the different divisions' work plans, including targets related to energy efficiency and the mechanization of processes.

Stakeholder Management, Transparency, and Prevention of Conflicts of Interest

Some of Ashtrom Group's shareholders also serve in various roles within the Group and its subsidiaries. The Group ensures that its conduct complies with the relevant legal requirements regarding the involvement of interested parties in Board committees. Full disclosure regarding the activities of interested parties is provided in the Group's periodic report.

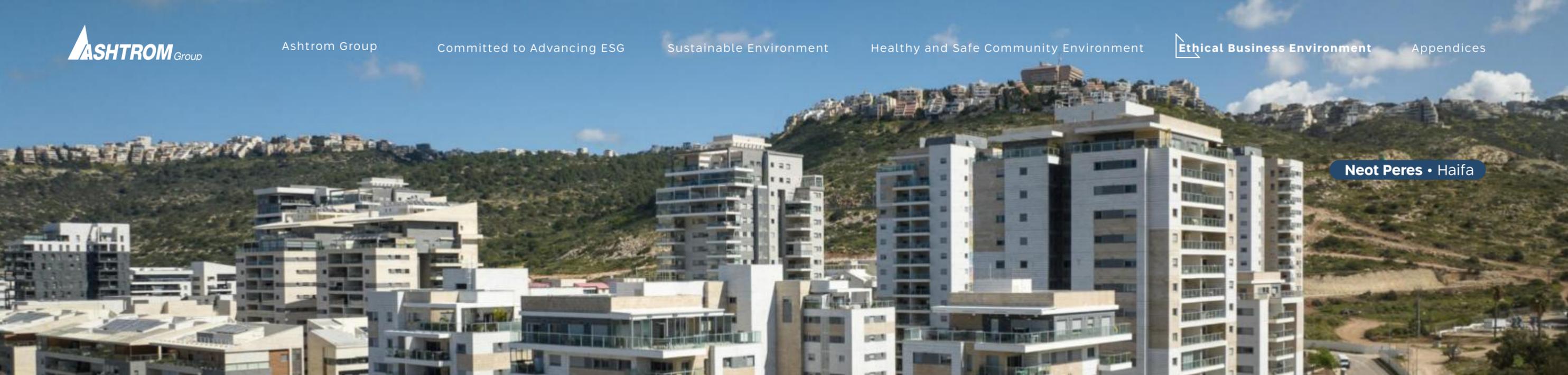
Interested parties who serve as directors do not participate in the Board's committees, which are managed on an ongoing basis by external directors. The same principle applies to the implementation of the Group's compensation policy for senior executives and interested parties.

In addition, the Group maintains transparency regarding transactions with interested parties, including both ordinary and extraordinary transactions, as well as transactions with related parties and other entities.

Furthermore, potential relationships between officers and interested parties and suppliers or other business entities that operate with the Group are reviewed in order to prevent situations of conflict of interest.

For further information on the Group's activities in this area, please refer to Chapter D – Additional Information on the Corporation – in Ashtrom Group's 2025 annual report.





Neot Peres • Haifa

Risk Management

Risk management at Ashtrom Group is a significant component of strengthening corporate governance, as the Group and its divisions and subsidiaries are exposed through their operations in Israel and abroad to a wide range of risks across different areas. These include strategic risks, financial risks, operational risks, including sector-specific risks, regulatory and compliance risks, and environmental risks.

As part of the implementation of this process, Ashtrom Group works on an ongoing basis to strengthen a risk management culture among its managers and employees, while promoting synergy between the Group's various activities.

Ashtrom Group has a risk management policy based on the ongoing monitoring of the activities of its various divisions, including the receipt of reports from their CEOs as well as from the managers of their respective subsidiaries. This process is intended, among other things,

to identify risks at the earliest possible stage, establish safeguards where possible, mitigate risks, and address risks that have materialized.

As a leading group, and in light of the importance we attribute to environmental, social, and corporate governance (ESG) matters, the Group is preparing to address environmental and social risks.

Compensation Policy for Office Holders

In July 2025, the General Meeting of Ashtrom Group approved an updated compensation policy for office holders, replacing the previous compensation policy.

The policy was formulated and approved by the Compensation Committee and the Board of Directors in accordance with the provisions of the Companies Law, and is intended to support the achievement of the Group's objectives and work plans from a long-term perspective.

The compensation policy is based on principles that link compensation to performance, balance fixed and variable compensation components, and align with the Group's risk management policy. In determining the terms of service and employment of office holders, various factors are considered, including their contribution to the achievement of the company's objectives, their managerial responsibilities, the scope of the Group's activities, prevailing market conditions, and the need to attract and retain high-quality executives, while maintaining a balance between short-term incentives and long-term considerations.

Ashtrom Group's compensation policy includes a clawback mechanism that allows the Group to require the repayment of variable compensation paid on the basis of data that was later found to be incorrect, or in the event of a material error in the financial statements, at the discretion of the Compensation Committee and the Board of Directors.

The policy applies to all office holders in the Group, does not grant vested rights, and its implementation is subject to the approval of the competent corporate bodies in accordance with applicable law.

The Group's financial statements include disclosures regarding the implementation of the compensation policy in practice, including salary payments, related benefits, and equity-based compensation for office holders, in accordance with applicable legal requirements and the compensation policy approved by the General Meeting. For further information, please refer to the Group's periodic report.

At Ashtrom Properties, as a reporting company, a separate compensation policy is implemented, approved and disclosed in accordance with the legal requirements applicable to it.

Innovation as a Pathway to Shaping the Future of Sustainable Construction and Real Estate

Ashtrom Group operates as an entrepreneurial, industrial, and real estate group that integrates innovation as an integral part of its activities – within daily decision-making, work processes, execution methods, and long-term strategic initiatives. Innovation is embedded across the Group's various business segments.

In 2025, the Group focused on strengthening an operating model that combines day-to-day innovation within its various business segments with group-wide initiatives aimed at creating a broader impact across the construction industry's value chain. This integrated approach enables Ashtrom to operate simultaneously across multiple layers – operational, strategic, and industrial – positioning innovation as a management tool rather than solely as a technological outcome.

Developing New Technologies as a Group Innovation Pillar

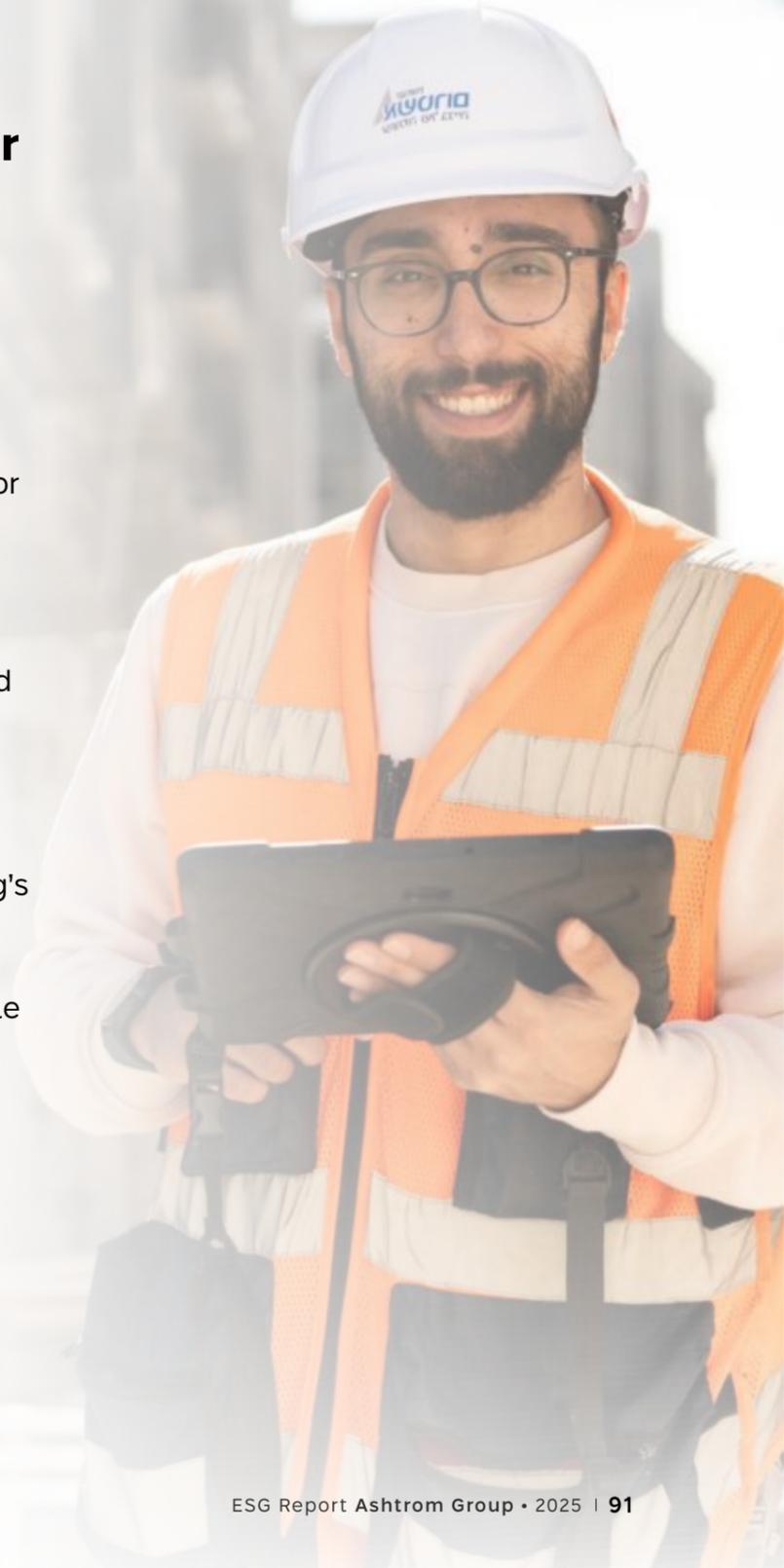
Innovation at Ashtrom Group is implemented across the entire value chain of the Group's activities – from the production of materials, through the construction and property management stages, to the renewable energy sector – and is continuously integrated into the operational and managerial activities of all business divisions.

At the Group level, Ashtrom has chosen to focus its efforts on the development and advancement of emerging technologies that are in early stages of development and require deep industrial partnerships to reach maturity, demonstrate feasibility, and enable large-scale implementation. This focus reflects the unique value the Group brings as a development partner – combining operational experience, practical implementation capabilities, and a systemic perspective on the life cycle of buildings and properties.

Based on this approach, the Group collaborates with startups and technology companies through a true development model (Partner Design), enabling the transition from an idea or prototype to a practical solution tailored to

engineering, regulatory, and operational needs. This activity includes evaluating first-of-a-kind (FOAK) technologies, supporting their adaptation to real-world conditions, and preparing for potential future implementation within the Group's operations, while creating opportunities for commercial advantages and competitive differentiation.

In this context, the Group's innovation activities are primarily focused on the field of construction materials, based on the understanding that materials represent a key leverage point influencing building performance, energy efficiency, and embodied carbon throughout the building's life cycle. This focus enables the Group to promote innovation with significant environmental and industrial impact, while strengthening its position as a preferred partner in the development of advanced technologies in the construction industry.



Examples of Development Partnerships in the Field of Materials

As part of these activities, Ashtrom Group promotes collaborations with technology companies and startups in the field of construction materials, working, among others, with:



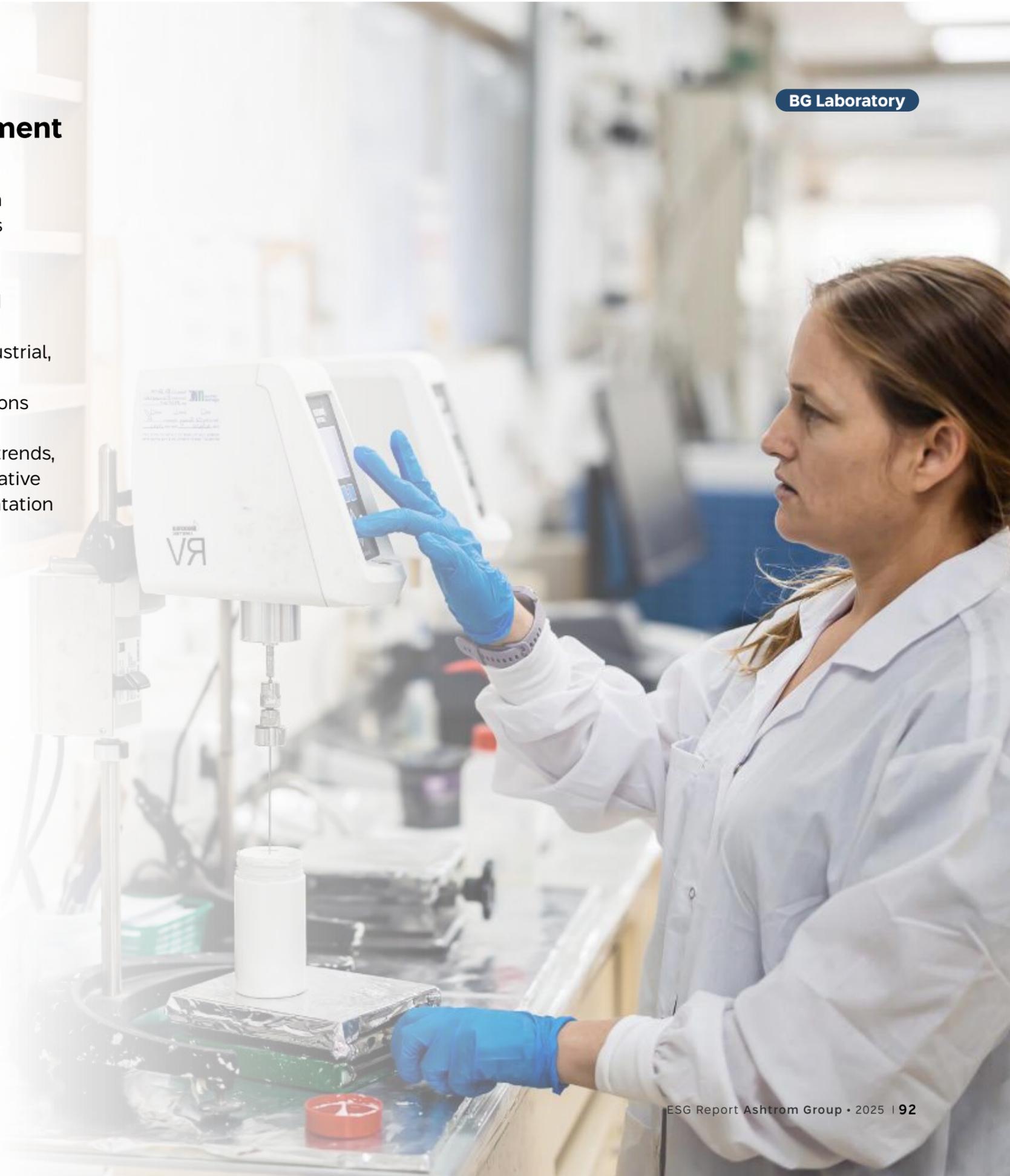
Development of nano-coating-based solutions and advanced materials that contribute to improved thermal insulation of buildings, reduced energy loads, and enhanced energy efficiency during the operational phase.



Advancing innovative material solutions based on advanced manufacturing processes and unique minerals, aimed at reducing the embodied carbon in construction materials and lowering the carbon impact in the early stages of construction.

Ecosystem Engagement and Future Outlook

As part of leading its innovation activities, Ashtrom Group works in collaboration with the local and international ecosystems of construction, real estate, and ClimateTech, and takes part in professional dialogue with industrial, academic, and technological stakeholders. These collaborations enable the Group to deepen its knowledge, identify emerging trends, and continue developing innovative solutions with broad implementation potential.



BG Laboratory

Responsible Supply Chain

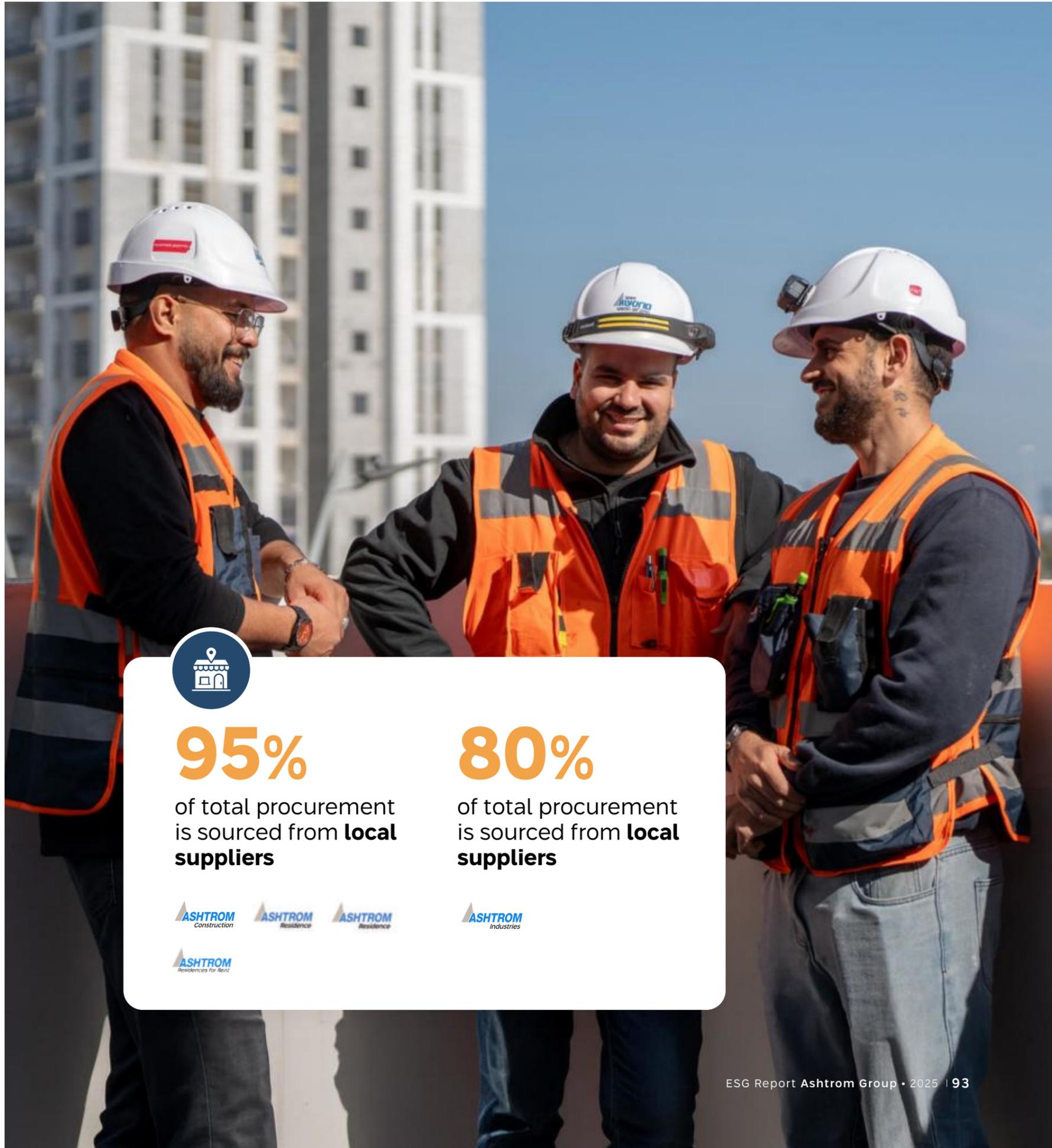
Ashtrom Group is committed to promoting a responsible supply chain, recognizing that our impact in this area is significant and influences our overall operations.

Ashtrom Group and its employees strive to engage with contractors and suppliers who conduct their business with integrity and fairness, comply with applicable laws, avoid corruption, and uphold high standards of ethical conduct.

As part of its efforts to strengthen corporate responsibility and establish a responsible supply chain, Ashtrom Group promoted two significant initiatives: the publication of a **Human Rights Policy** on the Group's website, reflecting its commitment to respecting human dignity and human rights, and progress in integrating ESG clauses into agreements with suppliers – an additional step toward establishing high standards of ethics and responsible business conduct. During 2025, no incidents or complaints related to human rights violations in the Group's supply chain were recorded.

We prioritize local procurement across our operations at **Ashtrom Construction, Ashtrom Residences, Ashtrom Properties, and Ashtrom Residences for Rent**. We are proud that approximately 95% of our procurement is carried out with local suppliers. At **Ashtrom Industries**, over 80% of procurement is conducted with local suppliers.

At some of the Group's sites, cameras are installed at site entrances to monitor access and help ensure that entry is limited to authorized workers who have completed the required training and are not minors.





95%

of total procurement is sourced from **local suppliers**

80%

of total procurement is sourced from **local suppliers**









Assessment of Key Suppliers

This year, the Group continued conducting supplier assessments to increase awareness of the importance of ESG implementation among key suppliers of **Ashtrom Construction, Ashtrom Properties, Ashtrom Residences for Rent, Ashtrom Residences, Ashtrom Industries, and Ashtrom International.**

The assessments addressed key environmental and social aspects, including ethical infrastructure, environmental management, occupational health and safety, human rights, and risk management. The response rate among the Group's significant suppliers stood at 64% of the total significant supplier base in the reporting year.



The results for 2025 reflect a strong commitment to sustainability among suppliers:

~ **63%**

of responding suppliers **have an ESG strategy**

~ **82%**

operate in accordance with a **structured ethical framework**

~ **74%**

of suppliers **have an environmental policy**

The results for 2025 reflect a strong commitment to sustainability among suppliers. 63% of suppliers reported having an ESG strategy, 82% operate under a formal ethical framework, 74% have an environmental policy, 71% promote waste recycling, and 80% promote workforce diversity.

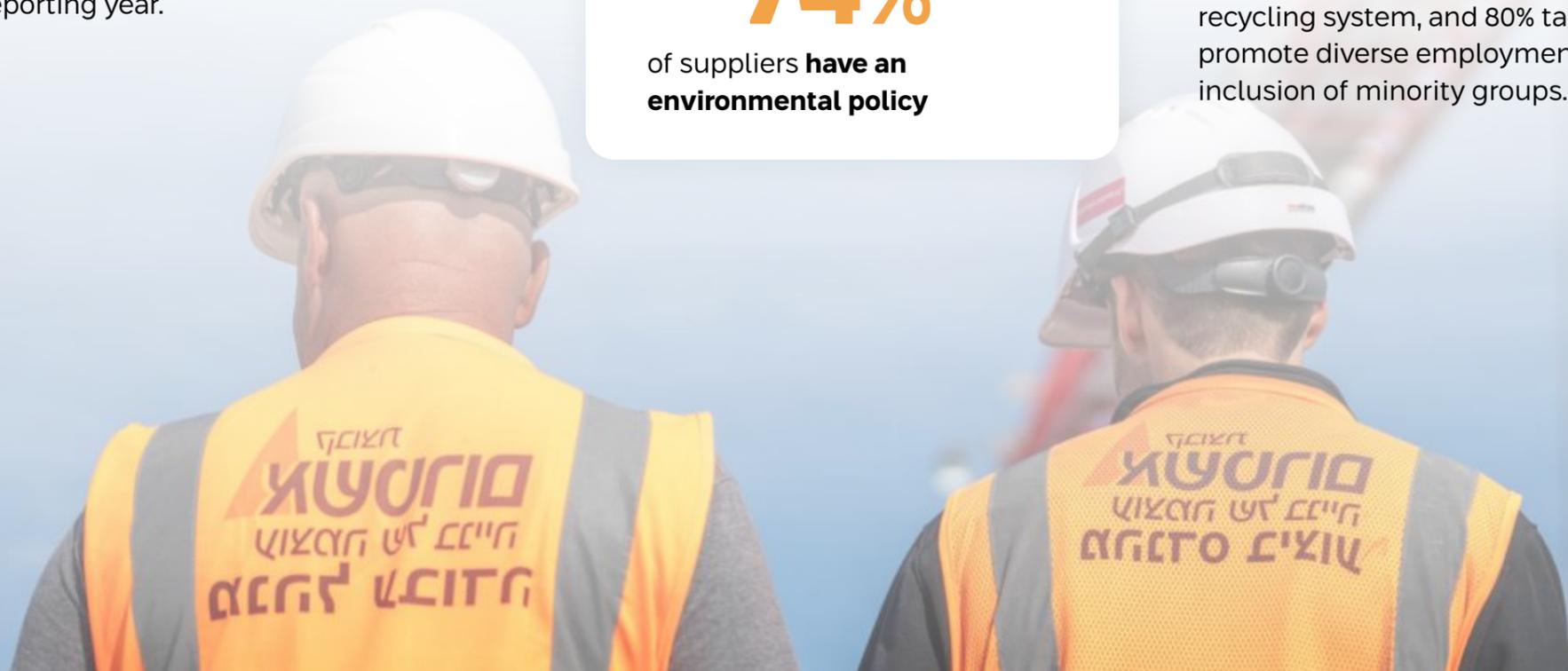
Among **Ashtrom Properties'** key suppliers, a clear commitment to sustainability and structured policies on material issues was identified. 72% of suppliers have an environmental policy, and 91% have a human rights policy and promote fair working conditions.

Among **Ashtrom Construction's** suppliers, 90% reported having a safety policy in place, 70% manage a waste recycling system, and 80% take action to promote diverse employment and the inclusion of minority groups.

Among **Ashtrom International's** key suppliers, 91% have an ESG strategy and an environmental policy, 95% have health and safety policies in place, and 79% manage a waste recycling system.

Among **Ashtrom Industries'** key suppliers, 95% reported community contribution and employee volunteering initiatives, 78% reported promoting initiatives to reduce emissions, and 95% operate in accordance with health and safety policies.

At **Ashtrom Residences**, 95% of key suppliers reported having environmental policies and waste recycling practices in place. At **Ashtrom Residences for Rent**, 89% of key suppliers reported having human rights policies and promoting fair working conditions.



Progress Against Targets

By 2035

0 Zero ethical incidents²⁶

Consistent maintenance of this achievement over the years

26. Material Incidents in Terms of Scope and Impact on Ashtrom Group's Operations and Reputation

By 2040

90% ESG assessment of 90% of material suppliers

To date, assessments have been conducted for key suppliers across **Ashtrom Properties, Ashtrom Contracting, Ashtrom Industries, Ashtrom Residences, Ashtrom Residences for Rent, and Ashtrom International.**

By 2040

100% implementation of the Code of Ethics among key suppliers and business partners

A formal Human Rights Policy was published on the Group's website, defining the Group's principles in this area in line with international standards and its commitment to social responsibility. In addition, significant progress has been made in integrating ESG clauses across most of the Group's operations, including their incorporation into key business agreements and supplier and business partner management processes.

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About the Report

This report relates to 2025 and is Ashtrom Group's fourth ESG report. Its purpose is to reflect the Group's efforts to promote responsible business conduct across all areas of its activity, including the construction and real estate sector, in line with leading global standards.

Ashtrom Group's activity in this field presents an opportunity to generate a positive impact on people and the environment, while also involving many challenges due to the broad diversity of the Group's operations, the nature of the sector in which it operates, and the extensive environmental impacts associated with it. Despite these challenges, Ashtrom Group seeks to advance meaningful action. Accordingly, targets have been defined and work plans formulated to create positive change in an exceptionally challenging field.

To effectively determine the qualitative and quantitative topics included in this report, we conducted an impact materiality analysis, which was refreshed in 2024. We believe that the topics presented in this report reflect most of the material aspects relevant to our business sector.

All data presented in this report relate to the period between January 1, 2025, and December 31, 2025. The data were collected in accordance with the GRI 2021 Standards and the SASB guidelines for the Construction and Real Estate sector. The GRI Index is integrated throughout the report, while the General Disclosures table and the SASB Index are presented at the end of the report. The report includes data from companies owned by Ashtrom Group (with an ownership stake of 50% or more), according to the various operating segments, as well as material assets as defined in Ashtrom Properties' periodic report.

The report does not include companies with no activity or with negligible activity for the Group. The report includes data on employees of Ashtrom Group who are employed in Israel only. We aim to further deepen and expand the scope of reported topics, performance indicators, and policies in the coming years.

The report was prepared with the assistance of external ESG experts, Arioiz Ltd. and Eitan Foss from Green Rise. During the reporting year, the Group conducted an Assurance process for selected environmental and social data, which was performed by KPMG Israel. The review included an in-depth examination of the reliability of the data, in accordance with the scope detailed in the assurance statement provided by the auditing firm and presented later in this report.

With respect to data that were not included in the assurance process, we conducted appropriate checks regarding the validity of the reported data and have reasonable confidence that the data and practices disclosed reflect our activities as of the publication date in all material respects, to the best of our knowledge. However, as with any document, the information presented may include generalizations, estimates, inaccuracies, errors, or omissions.

Ashtrom Group is not responsible for inaccuracies that are not known to it and does not authorize any party to rely on the information contained in this document. In the event of any discrepancy between the information presented in this document and the information appearing in the Group's public disclosures, including any differences in presentation, made pursuant to the Israeli Securities Law, 1968 ("Securities Law"), including Ashtrom Group's financial statements, the information contained in the disclosures made in accordance with applicable law shall prevail.

This report contains forward-looking information, as defined under the Israeli Securities Law. Accordingly, it includes, among other things, forecasts, estimates, and assessments of Ashtrom Group relating to future events, the realization of which is uncertain and may not be under the Group's control, and which may differ in practice from those presented in this report. It is further clarified that forward-looking information does not constitute proven facts and is based solely on Ashtrom Group's viewpoint and subjective assessments as of the date of publication of this report. The Group undertakes no obligation to update or revise any of the information contained in this report following its publication.

We welcome any feedback, comments, or suggestions from our stakeholders. You are invited to share your feedback regarding the 2025 report with Gal Omer, CFO of Ashtrom Group, Maya Feuer, Head of Sustainability and Innovation at Ashtrom Group, and/or Noa Maman, Environmental Manager at Ashtrom Group, via email:

- **Gal Omer:** galo@ashtrom.co.il
- **Maya Feuer:** mayaf@ashtrom.co.il
- **Noa Maman:** noa@ashtrom.co.il

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Appendices



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Independent Limited Assurance Report to the users/readers of Ashtrom Group LTD. 2025 ESG Report Conclusion

We have performed a limited assurance engagement on the specific topics in Ashtrom Group LTD.'s (further referred to as "**Ashtrom**" or "**the company**") 2025 ESG Report (further referred to as "**the report**" or "**the ESG report**"), regarding the Ashtrom's Group data only.

Based on the procedures performed and evidence obtained, nothing has come to our attention to indicate that the specific topics, as mentioned in the table below, in Ashtrom's 2025 ESG report are not presented, in all material respects, in accordance with the company's reporting criteria.

Below is the list of specific data for which limited assurance was performed:

Subject matter information	Unit	Female	Male	Total
Total number of employees on payroll	#	446	1,080	1,526
Employees under global salary arrangements	#	400	709	1,109
Employees under monthly salary arrangements	#	39	251	290
Employees under hourly wage arrangements	#	7	92	99
Service providers (freelancers)	#	-	28	28
Total number of full-time employees	#	397	1,010	1,407
Total number of part-time employees	#	49	70	119
Members of management	#	-	4	4
Senior managers	#	8	55	63
Middle managers	#	111	233	344
Non-managerial employees	#	327	788	1,115
Employees covered by collective bargaining agreements	#	1	272	273
New hires under the age of 30	#	38	113	151
New hires aged 30-50	#	59	136	195
New hires over the age of 50	#	17	56	73
Employee leavers under the age of 30	#	25	63	88
Employee leavers aged 30-50	#	43	114	157
Employee leavers over the age of 50	#	27	76	103

Subject matter information	Unit	Under 30	Between 30-50	Above 50
Total number of executive management	#	-	1	3
Total number of senior managers	#	-	26	37
Total number of middle managers	#	12	222	110
Total number of non-managerial employees	#	179	502	434
Total number of employees	#	191	751	584

Subject matter information	Unit	Senior managers	Middle managers	Non-managerial employees
Number of female employees from minority groups (Arab population)	#	-	-	1
Number of male employees from minority groups (Arab population)	#	-	10	125

Subject matter information	Unit	Data
Average employee tenure within the Group	Years	7.7
Number of employees over the age of 60	#	244
Total number of employees from the Arab population in management positions	#	136
Total number of employee hires	#	419
Total number of employee leavers	#	348
Percentage of employees over the age of 60	%	16
Percentage of employees with disabilities	%	3
Percentage of Ashtrom Group employees belonging to the Arab population	%	9
Employee turnover rate	%	22.2
Percentage of women in the total workforce of the Ashtrom Group	%	29
Percentage of women in management positions within the Ashtrom Group	%	28
Percentage of Ashtrom Group employees over the age of 50	%	38
Percentage of senior and middle management employees over the age of 50	%	26
Percentage of employees aged 31-50	%	49
Scope 1: Fuel energy consumption and its conversion into greenhouse gas emissions	tCO _{2eq}	13,092
Scope 2: Purchased electricity consumption and its conversion into greenhouse gas emissions	tCO _{2eq}	21,528

Further information and details, including the scope, content, assumptions, and estimates determined by the company regarding the specific topics included in the process, can be found in the relevant chapters of Ashtrom's ESG Report.

Basis for conclusion

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised)*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Ashtrom

Ashtrom's management is responsible for (A) designing, implementing and maintaining internal control relevant to the preparation of the report such that it is free from material misstatement, whether due to fraud or error; (B) selecting or developing suitable criteria for preparing the report and appropriately referring to or describing the criteria used; (C) preparing/fairly stating/properly calculating the report in accordance with the relevant criteria.

Responsibilities of KPMG Somekh Chaikin

We are responsible for (A) planning and performing the engagement to obtain limited assurance about whether the report is free from material misstatement, whether due to fraud or error; (B) forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; (C) reporting our conclusion to the users/readers of the Ashtrom's ESG report

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the specific topics, which is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the specific topics and other engagement circumstances, and 3/22/2026 carrying out our engagement, the procedures we performed primarily consisted of:

- examination of the specific topics in the report, for the purpose of performing a limited assurance
- conducting interviews with the professional stakeholders in the Ashtrom, who are responsible for providing the information required for preparing the report, in order to gain an understanding of the specific topics
- comparing the information regarding the specific topics presented in the report to corresponding information in the relevant sources, to determine whether all material information from these sources has been included in the report
- where relevant, conducting interviews regarding the calculation, aggregation and methods used to collect and report material information and the specific topics in the report

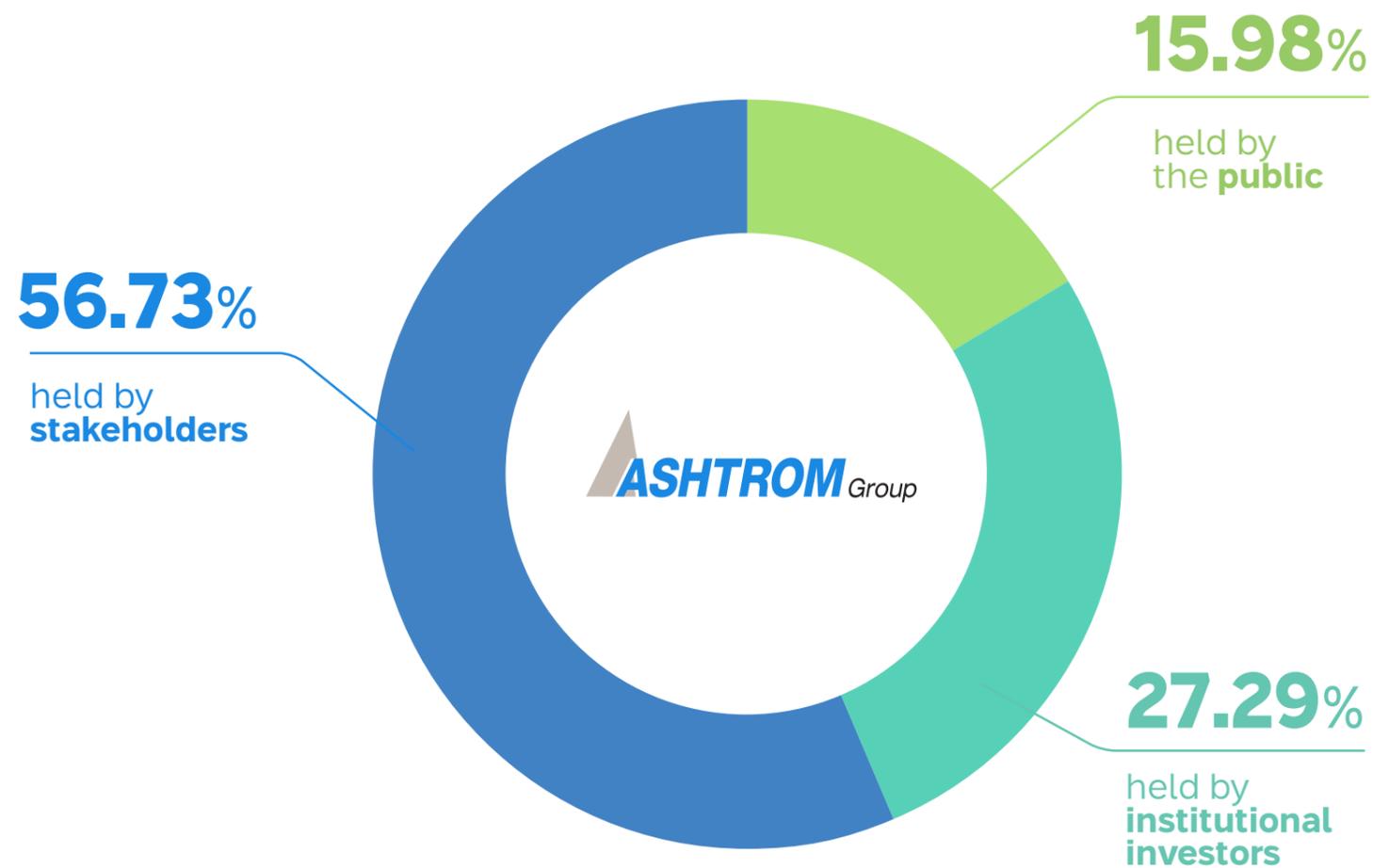
As part of the limited assurance process, we reviewed the final version of the report to ensure it reflects our findings

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance report is made solely to Ashtrom in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Ashtrom those specified parts we have been engaged to state in this limited assurance report and for no other purpose or in any other context. We do not accept or assume responsibility to anyone other than Ashtrom for our work, for this limited assurance report, or for the conclusions we have reached.

KPMG Somekh Chaikin
 Tel Aviv, Israel
 25 March 2026

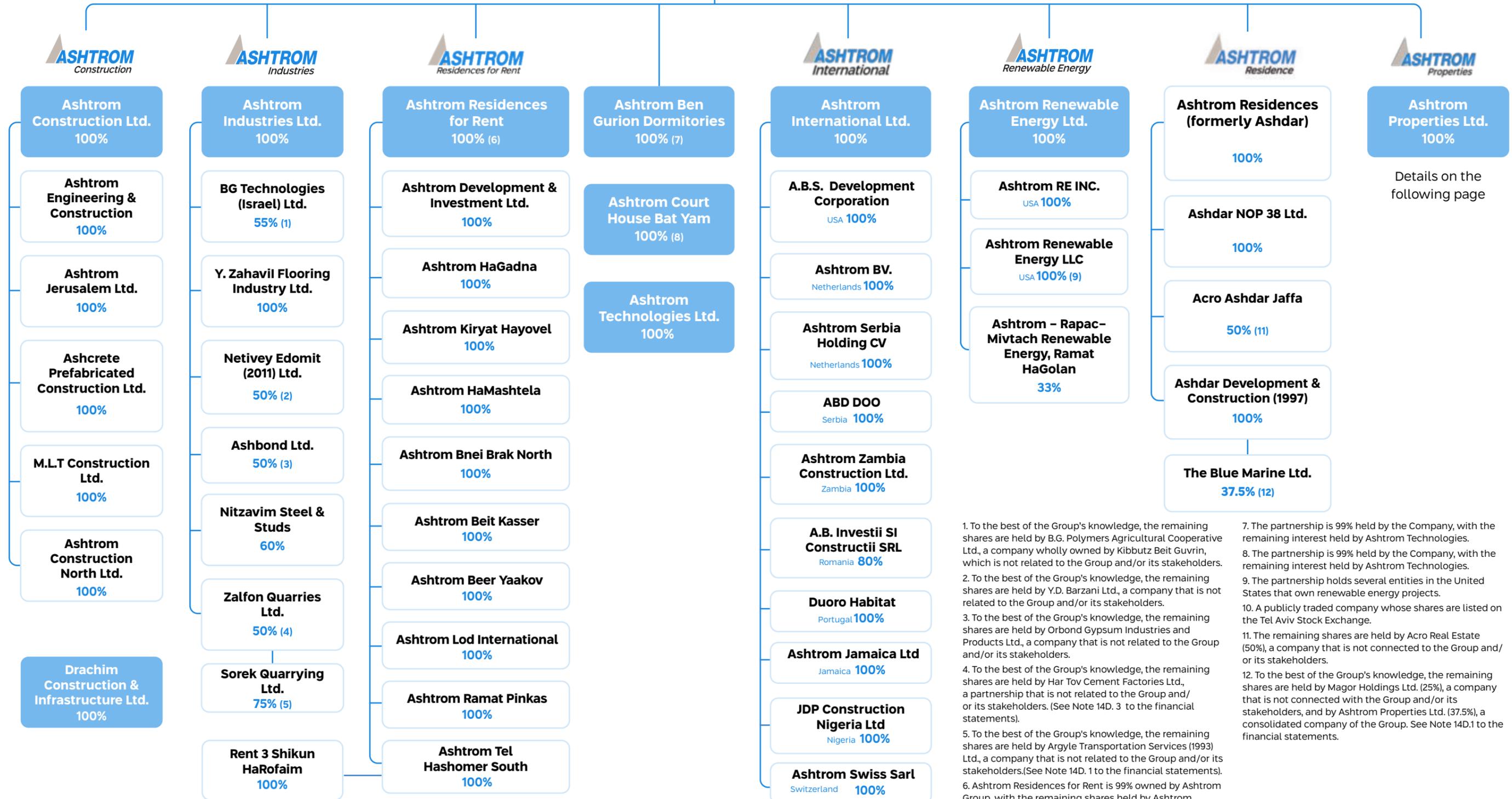
Ashtrom Group: Ownership Structure, Holdings, and Business Segments



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The Holding Structure of the Ashtrom Group

Ashtrom Group Ltd.



1. To the best of the Group's knowledge, the remaining shares are held by B.G. Polymers Agricultural Cooperative Ltd., a company wholly owned by Kibbutz Beit Guvrin, which is not related to the Group and/or its stakeholders.

2. To the best of the Group's knowledge, the remaining shares are held by Y.D. Barzani Ltd., a company that is not related to the Group and/or its stakeholders.

3. To the best of the Group's knowledge, the remaining shares are held by Orbond Gypsum Industries and Products Ltd., a company that is not related to the Group and/or its stakeholders.

4. To the best of the Group's knowledge, the remaining shares are held by Har Tov Cement Factories Ltd., a partnership that is not related to the Group and/or its stakeholders. (See Note 14D. 3 to the financial statements).

5. To the best of the Group's knowledge, the remaining shares are held by Argyle Transportation Services (1993) Ltd., a company that is not related to the Group and/or its stakeholders. (See Note 14D. 1 to the financial statements).

6. Ashtrom Residences for Rent is 99% owned by Ashtrom Group, with the remaining shares held by Ashtrom Technologies. The remaining partnerships are 99% owned by Ashtrom Residences for Rent, with the remaining shares held by Ashtrom Technologies.

7. The partnership is 99% held by the Company, with the remaining interest held by Ashtrom Technologies.

8. The partnership is 99% held by the Company, with the remaining interest held by Ashtrom Technologies.

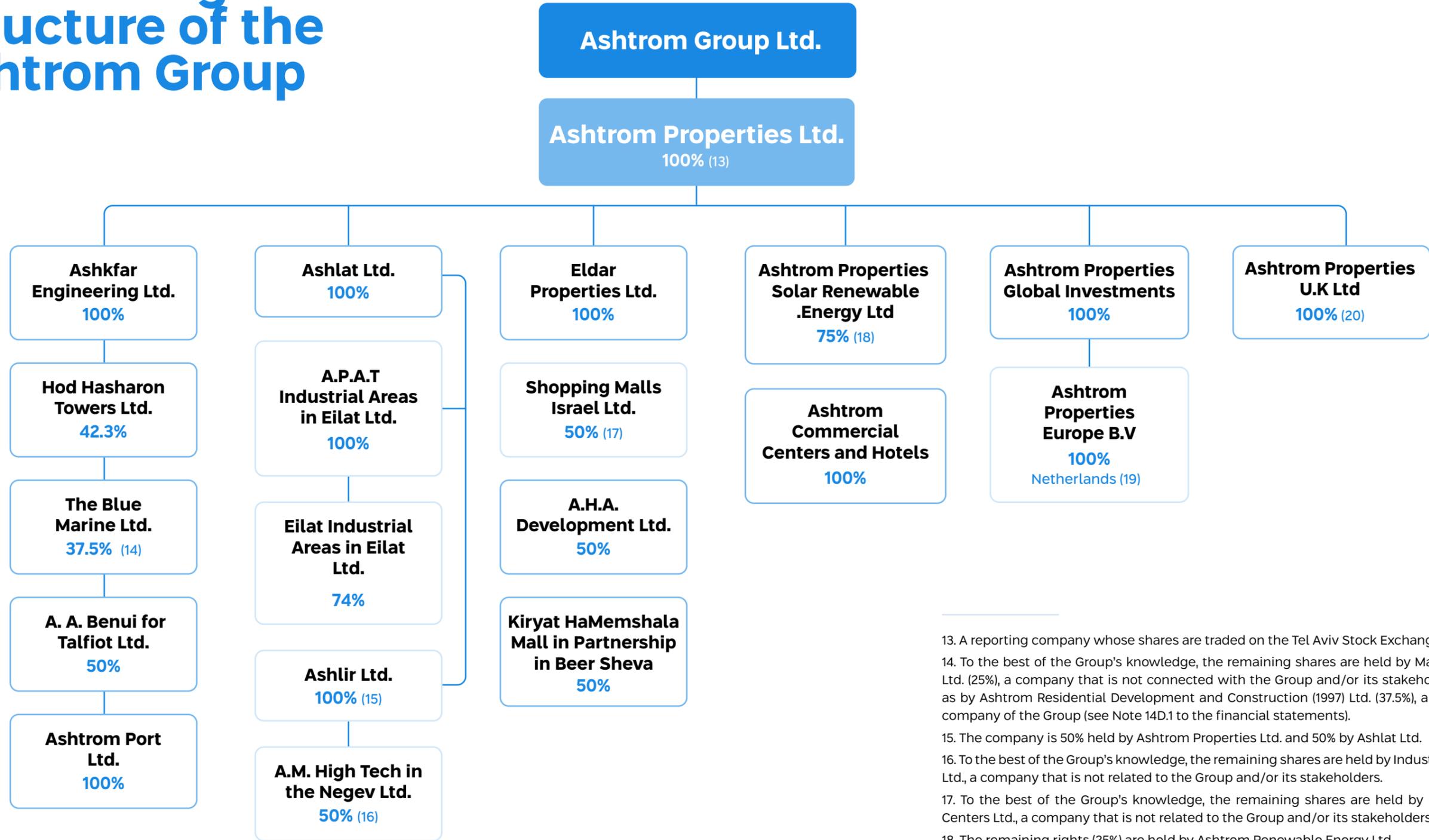
9. The partnership holds several entities in the United States that own renewable energy projects.

10. A publicly traded company whose shares are listed on the Tel Aviv Stock Exchange.

11. The remaining shares are held by Acro Real Estate (50%), a company that is not connected to the Group and/or its stakeholders.

12. To the best of the Group's knowledge, the remaining shares are held by Magor Holdings Ltd. (25%), a company that is not connected with the Group and/or its stakeholders, and by Ashtrom Properties Ltd. (37.5%), a consolidated company of the Group. See Note 14D.1 to the financial statements.

The Holding Structure of the Ashtrom Group



13. A reporting company whose shares are traded on the Tel Aviv Stock Exchange.

14. To the best of the Group's knowledge, the remaining shares are held by Magor Holdings Ltd. (25%), a company that is not connected with the Group and/or its stakeholders, as well as by Ashtrom Residential Development and Construction (1997) Ltd. (37.5%), a consolidated company of the Group (see Note 14D.1 to the financial statements).

15. The company is 50% held by Ashtrom Properties Ltd. and 50% by Ashlat Ltd.

16. To the best of the Group's knowledge, the remaining shares are held by Industrial Buildings Ltd., a company that is not related to the Group and/or its stakeholders.

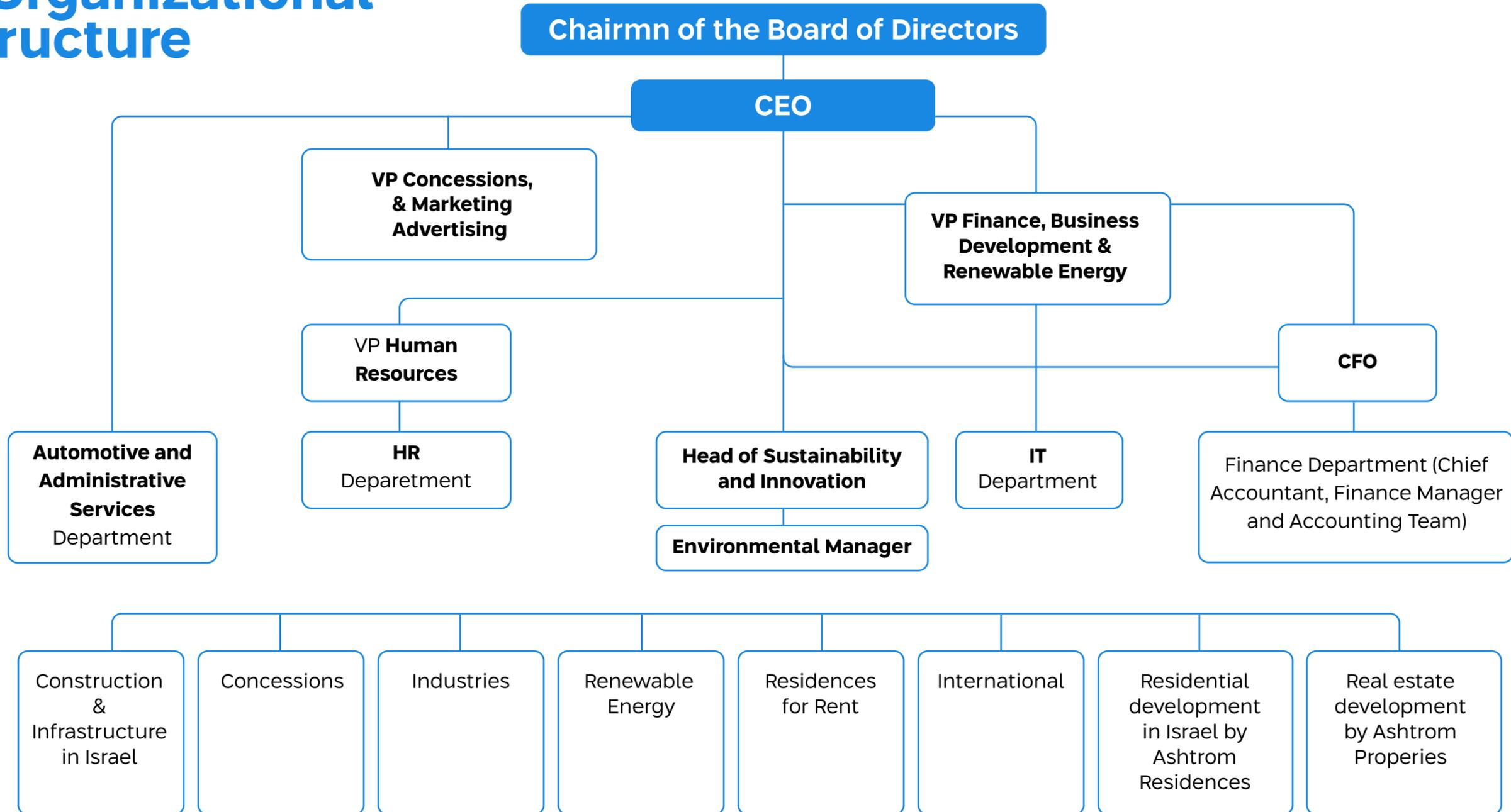
17. To the best of the Group's knowledge, the remaining shares are held by Big Shopping Centers Ltd., a company that is not related to the Group and/or its stakeholders.

18. The remaining rights (25%) are held by Ashtrom Renewable Energy Ltd.

19. The Company holds several companies in the Netherlands that own asset-holding companies in Germany.

20. The company holds several UK-based companies that own property-holding entities in the UK.

Ashtrom Group – Organizational Structure



Economic Impact on Stakeholders

Ashtrom Group generates a positive economic impact on the Israeli economy through its business activities, which include payments to the Group's employees through direct and indirect employment models, community investments, tax payments, financing of credit lines, and payments to suppliers.

In 2025, the economic impact generated by Ashtrom Group amounted to approximately NIS 6.5 billion. (GRI 201-1):

Data in thousands of shekels	2024	2025
Direct economic value created by the group: Total revenues (excluding intercompany revenues as detailed in the annual financial statements)	4,459,489	4,652,436
Economic value distributed by the group		
Total operating expenses for payments to suppliers (products and services) Rent and miscellaneous payments (such as water, electricity, and property taxes) Employee salaries and benefits, and other operating expenses	3,998,395	4,206,256
Total amount paid to shareholders as dividends	0	0
Total payments to lenders, such as banks and financial institutions (including loan and bond repayments)	2,302,268	2,229,313
Total payments to governments (Current taxes as reported in the statement of profit and loss)	58,143	82,378
Total investment in the community	1,916	2,487
Total economic value distributed by the Group	6,358,806	6,517,947



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Promoting the UN Sustainable Development Goals (SDGs)

The United Nations has set 17 Sustainable Development Goals (SDGs) to be achieved by 2030, focusing on reducing hunger and poverty, improving health and education systems, reducing inequality, promoting sustainable economic growth, and protecting the environment. The Group is committed to supporting these global goals by integrating them into its strategic objectives, advancing initiatives that contribute to their fulfillment, and reporting transparently on its progress. The following are the selected goals, listed according to their importance in advancing our ESG approach:

11



Sustainable Cities and Communities

We are committed to developing sustainable urban housing solutions, with a strong focus on long-term rental housing and urban renewal. We promote mixed-use projects that blend residential, commercial, and industrial spaces to create accessible, vibrant urban communities and stimulate local economic growth. In addition, we actively initiate and build projects in Israel's periphery to support balanced population distribution and advance infrastructure development.

12



Responsible Consumption and Production

We promote the use of sustainable raw materials, expand recycling and waste reduction initiatives, and encourage a responsible supply chain – all of which are key components of the Group's ESG strategy. Our efforts also include the development of sustainable building materials designed to reduce the environmental footprint associated with the construction and operation of properties.

9



Industry, Innovation, and Infrastructure

We strive to promote sustainable industrialization and innovation initiatives aimed at developing environmental solutions within our operations. In addition, the Group encourages the employment of local workers and suppliers wherever possible, with the aim of supporting the development of the local economy.

8



Decent Work and Economic Growth

We provide employment opportunities and promote economic growth while ensuring fair employment practices, prohibiting child labor and forced labor, and fostering a safe and healthy working environment for our employees. We implement policies to prevent discrimination, promote diversity and inclusion, and support the development and empowerment of our employees' skills.

7



Affordable and Clean Energy

We work to advance the renewable energy sector and expand the implementation of renewable and sustainable energy projects, which contribute to the reduction of greenhouse gas emissions and support efforts to address the climate crisis.

13



Climate Action

We work to reduce carbon emissions across our operations and supply chain by setting ambitious emission reduction targets, investing in environmentally focused innovation, and managing our preparedness for climate change.

Membership in Leading Associations and Forums

Ashtrom Group is a member of several prominent industry associations and forums in Israel, working to promote the construction and real estate sectors both locally and globally. These include:



Manufacturers' Association of Israel

Ashtrom Industries, Ashbond, BG Technologies, Zehavi Atzmon, and Nitzavim are members of the Israel Manufacturers' Association. Since 2022, Sharon Levanter, CEO of Ashtrom Industries, has served as a member of the Construction Division of the Manufacturers' Association. In 2024, Guy Haimovich, VP of Marketing at Ashtrom Industries, joined the Standards Committee, and Maya Feuer, Head of Sustainability and Innovation at Ashtrom Group, became a member of the Innovation Committee.



The Israeli Green Building Council (ILGBC)

Ashtrom Industries and Ashbond are members of the Israel Green Building Council, with Ashtrom Industries executives actively participating in the council's workshops and training



Council on Tall Building & Urban Habitat

Ashtrom Group is a member of the Council on Tall Buildings and Urban Habitat (CTBUH).



Association of Contractors and Builders

Ashtrom Construction is a member of the Contractors and Builders Organization – Tel Aviv and Central District.



The Israeli Association of Concrete Manufacturers (IAC)

Ashtrom Industries is a member of the Israeli Association of Concrete Manufacturers (IAC), where Sharon Levanter, CEO of Ashtrom Industries, serves as the association's secretary and is authorized to sign on its behalf.



The Association of Civil and Infrastructure Engineers

Ashtrom Group takes an active part in the organization's annual conferences.



The Israeli Marketing Association

Ashtrom group is a member of the Contractors and Builders Association – Tel Aviv and Central District.

Mapping of communication channels and key discussion topics with principal stakeholder groups:

Stakeholder Group	ongoing dialogue mechanisms to ensure meaningful stakeholder engagement in all our activities	Key dialogue topics and the objectives of engagement
<p>Employees of the Ashtrom Group and its subsidiaries</p>	<ul style="list-style-type: none"> • Periodic meetings with the division managers • Compensation and feedback conversations 	<ul style="list-style-type: none"> • Terms of employment • Well-being and work-life balance • Employee safety and health • Employee development and empowerment • Employee community involvement • Responsible business conduct • Promoting innovation
<p>Government Clients</p> <p>In Ashtrom Construction and Concessions – public entities such as government ministries (including government companies abroad), local authorities, municipal companies abroad, and private real estate development and construction companies</p>	<ul style="list-style-type: none"> • Ongoing discussions, meetings, and inquiries 	<ul style="list-style-type: none"> • Operational excellence • Quality of execution, product Quality, and product safety and sustainability • Responsible business conduct • Promoting innovation
<p>Private Customers</p>	<ul style="list-style-type: none"> • Ongoing discussions, meetings, and inquiries 	<ul style="list-style-type: none"> • Fair Pricing • Responsible business conduct • Quality of execution, product Quality, and product safety and sustainability • Operational excellence • Promoting innovation
<p>Consumers – Homebuyers</p>	<ul style="list-style-type: none"> • Sales meetings • Customer service • Ongoing and targeted surveys • Monitoring customer inquiries to customer service • Monitoring customer discourse on social media 	<ul style="list-style-type: none"> • Fair Pricing • Responsible Business Conduct • Operational Excellence • Promotion of Innovation

Mapping of communication channels and key discussion topics with principal stakeholder groups:

Stakeholder Group	ongoing dialogue mechanisms to ensure meaningful stakeholder engagement in all our activities	Key dialogue topics and the objectives of engagement
<p>Consumers – Users and Tenants, Residents</p> <p>Users of projects (in concession projects, long-term rental housing, and PPP projects); tenants of properties – offices and residential units (within Ashtrom Properties and Ashtrom International – income-producing real estate activities in Israel and abroad).</p>	<ul style="list-style-type: none"> • Ongoing discussions, meetings, and inquiries 	<ul style="list-style-type: none"> • Quality of execution, product quality, and product safety and sustainability • Responsible business conduct • Promoting innovation – with an emphasis on digitization and innovative applications to improve accessibility and efficiency of services
<p>Business Partners</p>	<ul style="list-style-type: none"> • Ongoing discussions, meetings, and inquiries 	<ul style="list-style-type: none"> • Responsible business conduct • Quality of execution, product quality, and product safety and sustainability • Reduction of environmental impacts • Promotion of innovation
<p>*Suppliers and subcontractors</p> <p>*construction companies that employ foreign workers) for development, infrastructure, and construction; Raw materials suppliers in Israel and abroad; subcontractors in Israel and abroad; engineering service providers (architects, planners, project managers, coordinators, inspectors, and various consultants in fields like electricity, water, air conditioning systems, and acoustics), service providers in Israel and abroad, including cleaning, guarding, security, and maintenance; marketing service providers; brokers, marketers, and advertisers; consulting bodies; attorneys, CPAs, and others,(including organizers of urban renewal transactions, etc).</p>	<ul style="list-style-type: none"> • Periodic targeted surveys • Ongoing discussions, meetings, and inquiries 	<ul style="list-style-type: none"> • Supplier empowerment • Responsible and local supply chain • Reduction of environmental impacts • Responsible business conduct
<p>PropTech startups and entrepreneurs</p>	<ul style="list-style-type: none"> • Targeted meetings 	<ul style="list-style-type: none"> • Reduction of environmental impacts • Construction site safety • Promoting innovation – with a focus on digitization, accessibility, and streamlining work processes • Identification of new green construction materials and methods • Collaboration with academia • Increasing productivity

Mapping of communication channels and key discussion topics with principal stakeholder groups:

Stakeholder Group	ongoing dialogue mechanisms to ensure meaningful stakeholder engagement in all our activities	Key dialogue topics and the objectives of engagement
The communities in which we operate	<ul style="list-style-type: none"> • Dedicated meetings • Ongoing activities in communities surrounding Ashtrom Group's sites and properties 	<ul style="list-style-type: none"> • Community resilience • Diversity and inclusion • Employee engagement • Responsible business conduct
Environmental organizations and NGOs	<ul style="list-style-type: none"> • Meetings and discussions 	<ul style="list-style-type: none"> • Responsible business conduct • Reduction of environmental impacts • Operational excellence • Promotion of innovation
Government and regulatory bodies	<ul style="list-style-type: none"> • Ongoing discussions, meetings, and consultations 	<ul style="list-style-type: none"> • Operational excellence • Execution quality, product quality, and product safety and sustainability • Responsible business conduct • Promotion of innovation
Shareholders and Stakeholders	<ul style="list-style-type: none"> • Business meetings • Investor calls and publication of investor presentations – clear and comprehensive disclosures • Compliance with reporting requirements to shareholders and stakeholders • Holding general meetings 	<ul style="list-style-type: none"> • Responsible business conduct • Product safety and quality • Employee, customer, and consumer satisfaction • Reduction of environmental impacts • Responsible and local supply chain • Promotion of innovation

GRI content index

GRI 2: General Disclosures 2021

Topic	Section	GRI	Response	Reference in the report
1. The Organization and Its Reporting Practices	Organizational Details	2-1	<p>Ashtrom Group, one of Israel's leading construction and real estate companies, was founded in 1963. In 2004, it was registered as a group of companies, and in 2014 it completed its initial public offering of shares and bonds on the stock exchange, becoming a public company. Ashtrom Group is included in the leading indices of the Tel Aviv Stock Exchange: TA-90, TA-125, TA-125 Clean Climate, and TA-Real Estate.</p> <p>The Company operates directly and through its subsidiaries and affiliated companies, in Israel and abroad, in the areas of building construction and infrastructure; residential and office real estate development; ownership and leasing of income-producing properties; concessions; production of raw materials for the construction and industrial sectors; and the development of renewable energy projects.</p>	See Ashtrom Group's annual financial statements.
	Entities Included in the Report	2-2	The 2025 ESG Report covers all wholly owned subsidiaries in which the Group holds more than 50% ownership, and properties defined as material assets, across the following operating segments: construction and infrastructure, concessions, industries, properties, residential construction, and international operations.	
	Reporting Period, Frequency and Contact Point	2-3	The report relates to 2025; Ashtrom Group plans to publish the report annually; contact details for the relevant manager – see "About the Report".	See the ' About the Report ' section
	Information updates	2-4	Environmental data was updated due to more structured data collection through the Group's systems; waste reporting was expanded; and reporting was extended to an additional Scope 3 category.	
	External assurance	2-5	<p>During the reporting year, the Group conducted an assurance process for selected environmental and social data, which was performed by KPMG Israel. The review included an in-depth examination of the reliability of the data, in accordance with the scope detailed in the assurance statement provided by the auditing firm and presented later in this report.</p> <p>In addition, the emissions data were calculated by an external consultant, and the report itself was also reviewed by an external consultant.</p>	
2. Activities and Employees	Activities, Value Chain and Other Business Relationships	2-6	<p>Ashtrom Group operates in the construction and real estate sector (2-6).</p> <p>A description of the Group's value chain is detailed in the "About Ashtrom Group" section.</p>	See the ' About Ashtrom Group ' section
	Employees	2-7	Employee data are detailed in the "Healthy and Safe Environment" section.	See the ' Healthy and Safe Community Environment ' section
	Non-employee workers	2-8	The Group's activities involving subcontractors who employ contract workers and external workers are detailed in the "Healthy and Safe Environment" section.	See the ' Healthy and Safe Community Environment ' section

GRI content index

Topic	Section	GRI	Response	Reference in the report
3. Corporate Governance	Corporate Governance Structure and Composition	2-9	Board composition, skills, information on the activities of the Board committees, diversity, and stakeholder representation (2-9) are detailed in the "Ethical Business Environment" section.	See the ' Ethical Business Environment ' section and the "About" page on the Group's website
	Appointment and Selection of the Board of Directors	2-10	Policy for the Nomination and Appointment of Board Members and Its Committees	See the ' Ethical Business Environment ' section
	Chairman of the Board of Directors	2-11	Information about the Chair of the Board	See the ' Ethical Business Environment ' section and the "About" page on the Group's website
	The Role of the Board in Overseeing the Management of the Organization's Impacts	2-12	The role of the Board of Directors and senior management in the development, approval, and updating of the organization's purpose, value statements or mission, strategies, policies, and goals related to sustainable development; the role of the Board in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts, and in reviewing the effectiveness and frequency of these processes.	See the ' Ethical Business Environment ' section; see ' Committed to Advancing ESG '
	The Role of the Board in the ESG Report	2-14	Ashtrom Group's Board of Directors approved the ESG report prior to its publication.	See the ' Ethical Business Environment ' section
	Conflict of Interest	2-15	Description of the Board's processes for preventing conflicts of interest	See the ' Ethical Business Environment ' section
	Communication of Critical Concerns and Risks	2-16	Risk Management by the Board and Management	See the ' Ethical Business Environment ' section
	Collective Expertise of the Board	2-17	Board members participate in meetings and sessions aimed at expanding their knowledge of sustainability and the advancement of ESG (2-17), in order to strengthen the Board's collective knowledge, skills, and experience on these topics.	See the ' Ethical Business Environment ' section
	Remuneration Policy	2-19, 2-20	Explanation of the remuneration policy and how remuneration is determined	See the ' Ethical Business Environment ' section

GRI content index

Topic	Section	GRI	Response	Reference in the report
	Statement on the Sustainable Development Strategy	2-22	The CEO's message and Ashtrom Group's ESG strategy appear in the opening section of the report; the Group's ESG strategy is detailed in the "Committed to Advancing ESG" section.	See the 'Committed to Advancing ESG'
	Commitments and Policies	2-23	Ashtrom Group is committed to responsible business conduct and details its activities in this area in the "Ethical Business Environment" section, including the process for approving policy documents, implementation practices, and monitoring and control processes. In addition, specific reference to the Group's commitment in relation to human rights is detailed in the "Healthy and Safe Community Environment" section, including the process for approving policy documents, implementation practices, and monitoring and control processes.	See the 'Ethical Business Environment' section and the 'Healthy and Safe Community Environment' section
4. Strategy, Policies and Practices	Integration of Commitments and Policies	2-24	Ashtrom Group implements its commitments and policies for responsible business conduct across all of its activities and business relationships by integrating them into the Group's organizational strategies, operational policies and procedures, the allocation of authority and responsibility across different levels of the organization, and its business agreements.	See the 'Ethical Business Environment' section
	Processes for Remediating Negative Impacts; Mechanisms for Consultation and Raising Concerns	2-25, 2-26	Ashtrom Group works to remediate negative impacts it identifies. The Group maintains a structured process for receiving inquiries and complaints from all stakeholders, as well as internal procedures for reviewing and addressing these inquiries promptly and with due sensitivity. In addition, established monitoring and control mechanisms are in place to ensure that lessons are learned while continuing to receive feedback from stakeholders.	See the 'Ethical Business Environment' section. See the 'Sustainable Environment' section and the 'Ethical Business Environment' section
	Compliance with Laws and Regulations	2-27	Ashtrom Group monitors and reports on significant cases of non-compliance with laws and regulations, including cases that resulted in monetary fines or non-monetary sanctions.	See the Appendices
	Membership in Associations and Forums	2-28	Ashtrom Group is a member of several associations and forums	See the Appendices
5. Stakeholder Engagement	Approach to Stakeholder Engagement	2-29	See further details in the Appendices.	See the Appendices
	Collective Agreements	2-30	The number of employees covered by collective agreements is detailed.	See the 'Ethical Business Environment' section

GRI content index

GRI 3: Material Topics 2021

Topic	Section	GRI	Response	Reference in the report
	Mapping of Material Topics	3-1	In 2024, the materiality analysis was reviewed, the questionnaires for managers were updated, and the strategic ESG focus areas were assured.	See the ' Committed to Advancing ESG ' section
	List of Material Topics	3-2	The list of material topics appears in the "Committed to Advancing ESG" section.	See the ' Committed to Advancing ESG ' section
	Management of Material Topics	3-3	Further details regarding the Group's commitments, goals, and initiatives for each of the material topics can be found in the relevant sections, which address each of these topics.	

Sustainability Disclosure Topics & Accounting Metrics – Real Estate

Topic	Indicator	Category	Unit of Measurement	Code	Response
Energy Management	Coverage of energy consumption data as a percentage of total floor area, by property sub-sector	Quantitative	% by area	IF-RE-130a.1	See the shtrom Properties ESG Report .
	(1) Total energy consumption by portfolio region with data coverage; (2) Percentage of electricity consumption from the grid; and (3) Percentage of electricity consumption from renewable sources, by property sub-sector.	Quantitative	% based on gigajoules (GJ)	IF-RE-130a.2	See the ' Sustainable Environment ' section
	Percentage change in energy consumption for the portfolio segment with data coverage, by property sub-sector.	Quantitative	%	IF-RE-130a.3	See the ' Sustainable Environment ' section
	Percentage change in energy consumption for the portfolio segment with data coverage, by property sub-sector.	Quantitative	% by area	IF-RE-130a.4	The assets are not ENERGY STAR certified.
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy.	Discussion and Analysis	n/a	IF-RE-130a.5	Ashtrom Properties develops assets in accordance with the LEED Gold standard or higher. In addition, the company continuously promotes energy efficiency in the management and operation of its properties.

Topic	Indicator	Category	Unit of Measurement	Code	Response
Water Management	Coverage of water consumption data as a percentage of (1) total floor area and (2) floor area in areas with high or extremely high water stress, by property sub-sector.	Quantitative	% by area	IF-RE-140a.1	See the ' Sustainable Environment ' section and the ' Ashtrom Properties ESG Report '
	(1) Total water consumption by region with data coverage, and (2) the percentage in areas with high or extremely high baseline water stress, by property sub-sector.	Quantitative	Thousand cubic meters (m ³), %	IF-RE-140a.2	(1) See the ' Sustainable Environment ' section and the ' Ashtrom Properties ESG Report '. (2) Most water consumption occurs in areas with high baseline water stress (Israel).
	Percentage change in water consumption for the property portfolio with data coverage, by property sub-sector.	Quantitative	%	IF-RE-140a.3	See the ' Ashtrom Properties ESG Report '.
	Description of water management risks and discussion of strategies and practices to mitigate these risks.	Discussion and Analysis	n/q	IF-RE-140a.4	Not material to the Group's operations; therefore addressed through innovation initiatives and the identification of opportunities to reduce water use, without specific risk management processes.
Management of Sustainability Impacts on Tenants	(1) Percentage of new lease contracts that include a cost-recovery clause for capital improvements related to resource efficiency; and (2) the associated leased floor area, by property sub-sector.	Quantitative	% By area, m ²	IF-RE-410a.1	Not yet measured
	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water consumption, by property sub-sector.	Quantitative	by area	IF-RE-410a.2	Negligible – limited to the Be'er Sheva dormitories only
	Discussion of the approach to measuring, incentivizing, and improving tenants' sustainability impacts.	Discussion and Analysis	n/a	IF-RE-410a.3	See the ' Healthy and Safe Community Environment ' section
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property sub-sector.	Quantitative	m ² (square meters)	IF-RE-450a.1	Not applicable
	Description of the analysis of exposure to climate change risks, the extent of systematic exposure of portfolios, and strategies for risk mitigation.	Discussion and Analysis	n/a	IF-RE-450a.2	See the ' Sustainable Environment ' " section

Operational Indicators

Operational Indicator	Category	Unit of Measurement	Code	Response
Number of properties, by property sub-sector	Quantitative	Number	IF-RE-000.A	<ul style="list-style-type: none"> • Ashtrom Residences – 18,244 residential units under construction and planning, of which 2,202 units are currently under construction and marketing, with the remainder in the planning stage. • Ashtrom Residences for Rent – 12 rental housing projects in operation, under construction, and in planning (excluding concession projects) • Ashtrom Properties – 58 assets in Israel and abroad: 38 projects in Israel, 14 assets in Germany, and 6 assets in the UK • Ashtrom International – 3 income-producing real estate assets alongside a variety of development projects • Ashtrom Construction – currently constructing approximately 70 projects
Leasable floor area, by property sub-sector	Quantitative	m ² (square meters)	IF-RE-000.B	<ul style="list-style-type: none"> • Ashtrom Residences for Rent – 1,126 rental housing units, of which 281 (25%) are offered at regulated prices. Total area of 91,572 m² (excluding the Be'er Sheva dormitories). • Ashtrom Properties – Total income-producing real estate area amounts to approximately 759,218 m². Details are presented in the table below
Percentage of properties managed indirectly, by property sub-sector	Quantitative	% by area	IF-RE-000.C	Not applicable (N/A)
Average occupancy rate, by property sub-sector	Quantitative	%	IF-RE-000.D	<ul style="list-style-type: none"> • Ashtrom Residences for Rent – approximately 99% • Ashtrom Properties – approximately 92% on average. Details are presented in the table below

Ashtrom Properties

Country	Properties	Leasable area (m ²)	Occupancy rate (%)	Notes
Israel	38	472,181	95%	
Germany	14	207,807	86%	
UK	6	79,230	81%	Area and occupancy excluding the Colmore property in Birmingham (86%), which is designated for vacancy, renovation, and upgrading.
Total	58	759,218²⁸	92%	

28. Together with partners



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