



# GRI content index

For 2023

## GRI 2: General Disclosures 2021

GRI 2: General Disclosures 2021				
1. The organization and its reporting practices	Organizational details	2-1	The Ashtrom Group, one of the leading construction and real estate companies in Israel, was founded in 1963. In 2004, it was registered as a group of companies and in 2014 it completed its first offering of shares and bonds on the stock exchange and became a public company. It is traded on the 35 index on the Tel Aviv Stock Exchange (ASHG). The company operates itself and through its subsidiaries and held companies, in Israel and abroad, in the fields of construction contracting and infrastructure contracting; Initiation of residential and office real estate; possession and rental of profitable properties; franchising and production of raw materials for the industrial and construction industries.	See Ashtrom Group's annual financial reports
	Entities included in the organization's sustainability reporting	2-2	The report includes all companies with full ownership and/or over 50% ownership, according to the various sectors of activity: construction and infrastructure contracting, franchising, industries, properties, residential construction and activity abroad	
	Reporting period, frequency and contact point	2-3	The report refers to the year 2023; We plan to continue this tradition by publishing ESG reports for Ashtrom Group. Details of the ESG manager - see 'About the report'.	See 'About the report'
	Restatements of information	2-4	Environmental information has been improved through a more systematic data collection process, using our company's ERP system and collaboration with a new environmental consultant. Additionally, information about employees' training time has been expanded due to the implementation of a consistent data collection mechanism across the team.	
	External assurance	2-5	N/A. The data was collected by senior managers in the organization and validated in several rounds with all relevant internal stakeholders. In addition, the report was written by external consultants.	
2. Activities and workers	Activities, value chain and other business relationships	2-6	Ashtrom Group operates in the construction and real estate sector; A description of the group's value chain activity is detailed in 'About Ashtrom Group' and 'Responsible Supply	See 'Ashtrom Group'
	Employees	2-7	All employee data are detailed in chapter 'Healthy & safe community environment'	See chapter 'Healthy & safe community environment'
	workers who are not employees	2-8	The group's activities with subcontractors employing contractor and external workers are detailed in chapter 'Healthy & safe community environment'	See chapter 'Healthy & safe community environment'
3. Governance	Governance structure and composition	2-9	The composition of the board of directors, qualifications, an explanation of the activities of the board of directors' committees, diversity and representation of stakeholders are detailed in chapter 'Ethical business environment'	See chapter 'Ethical business environment'
	Nomination and selection of the BOD	2-10	The policy for locating and appointing members of the board of directors and its committees is detailed in 'Ethical business environment' chapter	See chapter 'Ethical business environment'
	Chair of BOD	2-11	For information about the chairman of the board, see 'Ethical business environment' chapter	See chapter 'Ethical business environment'
	Role of the BOD in overseeing the management of the Group's impacts	2-12	The role of the board of directors and senior managers in developing, approving and updating the organization's purpose, values, strategies, policies and objectives related to sustainable development; The board's role in	See chapter 'Ethical business environment'
	Role of BOD in sustainability/ESG reporting	2-14	The Ashtrom Group Board of Directors approved the ESG report prior to its publication	
	Conflicts of interest	2-15	The description of the processes and the board of directors involvement to ensure the prevention of conflict of interest is detailed in the chapter 'Ethical business environment'	See chapter 'Ethical business environment'
	Communication of critical concerns	2-16	Risk management by the Group's management and board of directors is detailed in chapter 'Ethical business environment'	See chapter 'Ethical business environment'
	Collective knowledge of the BOD	2-17	The board members participate in meetings to expand their knowledge about sustainable development and ESG promotion in order to promote the collective knowledge, skills and experience on the subject. For more	See chapter 'Ethical business environment'
	Remuneration policies and process to determine remuneration	2-19, 2-20	An explanation of the remuneration policy and the method of determining the remuneration is detailed in chapter 'Ethical business environment'	See chapter 'Ethical business environment'
4. Strategy, policies and practices	Statement on sustainable development strategy	2-22	A message from the chairman, CEO and the ESG strategy of Ashtrom Group are found in the opening section of the report and in the chapter 'Our commitment to ESG Progress'	See chapter 'Our commitment to ESG progress'
	Policies and commitments	2-23	Ashtrom Group is committed to responsible business conduct and details its activities in the field in the 'Ethical Business Environment' chapter, including the method of approving policy documents, implementation practices	See chapter 'Ethical business environment'
	Embedding policy commitments	2-24	Ashtrom Group implements its commitments and policies for responsible business conduct throughout its activities and business relationships (allocates responsibility across different levels within the organization);	See chapter 'Ethical business environment'
	Processes to remediate negative impacts ; Mechanisms for seeking advice and raising concerns	2-25, 2-26	Ashtrom Group works to correct negative impacts it identifies. The group has a regulated process for receiving inquiries and complaints from all stakeholders and takes care of examining and handling them sensitively and quickly in accordance with established internal organizational procedures. Also, there are regulated control and monitoring mechanisms to ensure lessons learned along with continuing to receive feedback from stakeholders. For more information, see the chapter 'Ethical Business Environment'	See chapter 'Ethical business environment'
	Compliance with laws and regulations	2-27	Ashtrom Group closely monitors and reports on significant cases of non-compliance with laws and regulations, including cases that ended in a monetary fine or non-monetary sanctions.	See chapter 'Ethical business environment'
	Membership associations	2-28	The Ashtrom Group is a member of a number of associations and forums detailed in 'Ashtrom Group'	See 'Ashtrom Group'
5. Stakeholders engagement	Approach to stakeholder engagement	2-29	See chapter 'Our commitment to ESG progress' > 'Ashtrom Group's Stakeholders' as well as in the report's appendices	See chapter 'Our commitment to ESG progress'
	Collective bargaining agreements	2-30	Employee coverage rate in collective agreements is detailed in the below table	See chapter 'Healthy & safe community environment'

**GRI 3: Material Topics 2021**

	Process to determine material topics	3-1	Ashtrom Group conducted a structured process to determine its material topics, as described in detail in the introduction to the report.
	List of material topics	3-2	The list of material topics appears in the introduction to the report.
	Management of material topics for each material topic	3-3	Extensive information about the group's commitment, goals and initiatives in each of the material topics - see the relevant chapters for each material topic.

Topic	GRI	2020	2021	2022	2023	Change rate 2022-2023
<b>Environmental Impact</b>						See chapter 'Sustainable Environment'
Scope 1 - total fuel consumption (fuel oil, diesel and gasoline) (ton CO2eq)	305-1	18,544.00	17,470.00	21,787.00	32,986.00	51.4%
Scope 2 - Total electricity consumption from external sources (ton CO2eq)	305-2	20,393.00	21,973.00	24,426.00	18,160.00	-25.7%
Total emissions scope 1, 2 (ton CO2eq)	305	38,937.00	39,443.00	46,213.00	51,146.00	10.7%
Carbon Intensity (ton CO2eq per ton of production/area)	305	0.021	0.018	0.021	0.015	-26.1%
Energy intensity (GJ per ton of production/area)	305	0.288	0.259	0.298	0.253	-15.1%
water consumption (cubic meters)	303-5	617,563	706,883.0	718,234.0	689,002.0	-4.1%
Water intensity (cubic metric per ton production/area)	303-5	0.15	0.16	0.18	0.16	-11.4%

\* In 2023, we recalculated intensity metrics for 2021 and 2022 based on improved data quality from our internal systems. This eliminated the need to estimate consumption based on paid bills.

<b>Energy Consumption information</b>						See chapter 'Sustainable Environment'
Total Fuel Consumption (Liters, Oil Equivalent TOE)	305	5,404	4,982	6,703	11,641	73.7%
Total Fuel Consumption (GJ)	305	264,055	254,216	306,160	486,005	58.7%
Total Electricity Consumption (kWh)	305	36,179,855	43,778,062	45,537,992	36,587,035	-19.7%
Total Electricity Consumption (GJ)	305	333,251	403,238	419,449	337,002	-19.7%

<b>Waste and effluents treatment</b>						See chapter 'Sustainable Environment'
Recycled iron (ton) - Ashtrom Contracting only	301-1	1,508	1,237	1,077	1,150	6.8%
Wooden pallets transported for recycling (units) - Ashtrom Contracting only	301-2	26,369	14,255	4,057	9,586	136.3%
Rate of concrete waste transported for recycling - Ashtrom Industries only	301-2	18%	35%	10%	20%	100.0%
Wastewater recycling - only at Israbton	306-1	99%	99%	99%	99%	0.0%
Amount of wooden surfaces returned from the sites and sold for recycling (units) - Ashkalit only	301-2	99	145	173	443	156.1%
Iron and concrete waste transported for recycling (tons) - Ashtrom properties only *The increase in the data in 2022 is due to the separation of iron/concrete/dirt in the demolition of the Bat Yam Mall.	301-2	33%	33%	66%	67%	1.5%
Cardboard and plastic waste transported for recycling (tons) - Ashtrom Properties only	301-2	33%	33%	66%	67%	1.5%

<b>Income from the sale of iron and wood waste</b>						See chapter 'Sustainable Environment'
Topic	GRI	2020	2021	2022	2023	Change rate 2022-2023

Total revenue from the sale of iron for recycling (NIS) - Ashtrom Contracting only		633,353	840,170	797,523	860,000	7.8%
Total revenue from the sale of wood for recycling (NIS) - Ashtrom Contracting only		574,200	262,500	380,859	138,631	-63.6%
Total revenue from the sale of wooden pallets for recycling (NIS) - Ashkalit only		53,679	28,450	8,114	8,618	6.2%

#### Environmental Investments and Expenses

Ashtrom Industries (NIS)				4,311,262	3,822,230	-11.3%
Ashtrom Properties (NIS)		862,352	1,370,174	535,753	1,015,910	89.6%
Ashtrom Contracting (NIS)		14,701,167	12,791,183	11,609,278	12,289,903	5.9%

#### Air Emissions - BG BOND

NOX (Kg)	305-7	384	463	536	755	40.9%
PM (Kg)	305-7	62	64	67	85	27.2%
NMVOG (Kg)	305-7	196	217	133	163	22.9%
Styrene (Kg)	305-7	5	5	2	3	78.3%
SOX (Kg)	305-7	-	0.00	-	0.00	0.0%

#### Employment

						See chapter 'Healthy & safe community environment'	Rate of total work force
<b>Total number of employees on payrols (head count/FTE)</b>	<b>2-8</b>	<b>1,303</b>	<b>1,319</b>	<b>1,506</b>	<b>1,569</b>	<b>4%</b>	
Female	2-8	321	339	444	451	2%	29%
Men	2-8	982	980	1,062	1,118	5%	71%
<b>Employees on a global salary basis</b>	<b>2-8</b>	<b>888</b>	<b>916</b>	<b>1,057</b>	<b>1,067</b>	<b>1%</b>	<b>68%</b>
Female	2-8	293	301	355	366	3%	
Men	2-8	594	615	702	701	0%	
<b>Employees on a monthly payment basis</b>	<b>2-8</b>	<b>320</b>	<b>314</b>	<b>322</b>	<b>334</b>	<b>4%</b>	
Female	2-8	22	30	69	75	9%	
Men	2-8	298	284	253	259	2%	
<b>Employees on an hourly basis</b>	<b>2-8</b>	<b>69</b>	<b>61</b>	<b>100</b>	<b>139</b>	<b>39%</b>	
Female	2-8	5	6	9	8	-11%	
Men	2-8	64	55	91	131	44%	
<b>Service providers (freelancers)</b>	<b>2-8</b>	<b>27</b>	<b>28</b>	<b>27</b>	<b>29</b>	<b>7%</b>	
Female	2-8	1	1	1	2	100%	
Men	2-8	26	27	26	27	4%	
<b>Total number of full-time employees (head count/FTE)</b>	<b>2-8</b>	<b>1,195</b>	<b>1,236</b>	<b>1,396</b>	<b>1,374</b>	<b>-2%</b>	<b>88%</b>
Female	2-8	260	283	375	296	-21%	
Men	2-8	935	953	1,021	1,078	6%	
<b>Total number of part-time employees (head count/FTE)</b>	<b>2-8</b>	<b>108</b>	<b>83</b>	<b>110</b>	<b>195</b>	<b>77%</b>	<b>12%</b>
Female	2-8	61	58	59	155	163%	
Men	2-8	47	25	51	40	-22%	

#### Diversity and equal opportunities

						See chapter 'Healthy & safe community environment'	Rate of total managers
Topic	GRI	2020	2021	2022	2023	Change rate 2022-2023	
Board members (men)	405-1	5	5	4	4	0%	
Total employees senior managers (VPs of each company and/or the CEOs of the subsidiaries in the sector)	405-1	55	56	68	74	9%	
Total employees middle managers (department managers)	405-1	82	101	174	186	7%	
Total employees non-managers	405-1	1,161	1,157	1,260	1,305	4%	

Female board members	405-1	0	0	0	0	0%	0%
Female senior managers	405-1	6	5	9	10	11%	13%
Female middle managers	405-1	8	11	30	39	30%	21%
Female non-managers	405-1	307	298	398	402	1%	31%
Men board members	405-1	5	5	4	4	0%	
Men senior managers	405-1	49	51	59	65	10%	
Men middle managers	405-1	74	90	151	146	-3%	
Men non-managers	405-1	854	859	862	903	5%	
Total senior managers - under age 30	405-1	0	1	0	0	0%	
Total senior managers - age 30-50	405-1	21	22	25	34	36%	
Total senior managers age - age 50 and up	405-1	34	33	43	40	-7%	
Total middle managers - under age 30	405-1	0	1	3	0	-100%	
Total middle managers - age 30-50	405-1	52	69	114	119	4%	
Total middle managers - age 50 and up	405-1	30	31	57	67	18%	41%
Total non-managers - under age 30	405-1	123	152	183	171	-7%	
Total non-managers age 30-50	405-1	607	582	621	656	6%	
Total non-managers - age 50 and up	405-1	431	423	456	478	5%	
Total employees - under age 30	405-1	123	154	186	171	-8%	11%
Total employees age 30-50	405-1	680	673	760	810	7%	52%
Total employees - age 50 and up	405-1	495	487	556	588	6%	37%
Number of employees over the age of 60		240	234	277	261	-6%	
Proportion of workers over the age of 60		18%	18%	18%	17%	-8%	
<b>Number of employees from minority groups (arab community), by level and gender</b>	405-1	140	146	175	153	20%	10%
Female senior managers from minority groups	405-1	0	0	0	0		
Female middle managers from minority groups	405-1	0	0	0	0		
Female non-managers from minority groups	405-1	2	1	0	0		
Men senior managers from minority groups	405-1	0	0	0	0		
Men middle managers from minority groups	405-1	2	3	5	4		
Men non-managers from minority groups	405-1	136	142	170	149		

\* Not including board members

Freedom of association and collective bargaining						See chapter 'Healthy & safe community environment'
Topic	GRI	2020	2021	2022	2023	Change rate 2022-2023
The number of employees covered by collective agreements of the construction sector*	407-1	330	344	332	319	20%
Female		0	0	0	0	0%
Men		330	344	332	319	20%
Child employment						See chapter 'Healthy & safe community environment'
Group's operations and suppliers at significant risk for incidents of child labor	408-1	0	0	0	0	
forced labor						See chapter 'Healthy & safe community environment'

Group's operations and suppliers at significant risk for incidents of forced or compulsory labor	409-1	0	0	0	0	
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\* The employees are obliged to be members of the national or general union. The agreement which is published on the Internet includes the terms of wages and payments, pension terms and a training fund, vacations and absences from work, safety at work and other rights

Hiring new employees and employee turnover						See chapter 'Healthy & safe community environment'	Rate of total work force
Topic	GRI	2020	2021	2022	2023	Change rate 2022-2023	
<b>Total number and rate of new hires by age group, gender</b>							
Female <30	401-1	5	26	48	38	-21%	
Female 30-50	401-1	42	46	119	68	-43%	
Female >50	401-1	6	5	37	13	-65%	
Men <30	401-1	59	67	99	81	-18%	
Men 30-50	401-1	130	106	150	159	6%	
Men >50	401-1	30	31	53	64	21%	
Total new hires <30	401-1	64	93	147	119	-19%	
Total new hires 30-50	401-1	172	152	269	227	-16%	
Total new hires >50	401-1	36	36	90	77	-14%	
Total new hires	401-1	272	281	506	423	-16%	27%
<b>Total number and employee turnover rate by age group, gender</b>							
Female <30	401-1	5	8	22	34	55%	
Female 30-50	401-1	23	44	65	52	-20%	
Female >50	401-1	10	8	20	18	-10%	
Men <30	401-1	38	34	46	63	37%	
Men 30-50	401-1	106	117	113	130	15%	
Men >50	401-1	61	54	53	63	19%	
Total leavers <30	401-1	43	42	68	97	43%	
Total leavers 30-50	401-1	129	161	178	182	2%	
Total leavers >50	401-1	71	62	73	81	11%	
Total leavers	401-1	243	265	319	360	13%	23%
						22.3%	

<b>Benefit plan and other retirement plans</b>	201-3	Some of the companies have central funds for compensation from which payment of compensation is made to eligible employees. In the event that there is no balance in the central fund for compensation (CFC), then a supplement is usually made with the last salary, subject to receiving the approval for deduction / tax exemption.
Minimum notice periods regarding operational changes	402-1	At the end of work - according to law.

Occupational health and safety						See chapter 'Healthy & safe community environment'
The number and rate of fatalities as a result of injury at work						
Topic	GRI	2020	2021	2022	2023	Change rate 2022-2023
Accidents that ended in the death of external employees working in the company's facilities	403-9	1	1	0	0	0%
Total work injuries (not including fatalities) - employees and external workers	403-9	129	125	121	126	4%
Employees	403-9	37	18	21	37	76%
External employees working in the company's facilities	403-9	84	89	86	74	-14%
Traffic accidents - employees only	403-10	8	18	14	15	7%
<b>Total working hours per year</b>						
Employees	403-9	2,376,230	2,812,353	3,361,247	3,592,246	7%
TRIR						
TRIR (Total Recordable Incident Rate) not including traffic accidents - employees only	403-9	3.11	1.28	1.25	2.06	65%

Training and development						See chapter 'Healthy & safe community environment'
Topic	GRI	2020	2021	2022	2023	Change rate 2022-2023
Women's total training hours	404-1				1,788	
Men's total training hours	404-1				17,625	
Total training hours for all employees	404-1		14,426	10,575	19,413	84%
Average training hours per employee	404-1		5	7	5	-18%
Average training hours for women	404-1				3	
Average training hours for men	404-1				6	

Compliance						See chapter 'Ethical business environment'
Confirmed incidents of corruption and actions taken						
Total number and nature of confirmed incidents of <b>corruption</b>	205-3	0	0	0	0	See chapter 'Ethical business environment'
Total number of confirmed incidents in which employees were dismissed or disciplined for <b>corruption</b>	205-3	0	0	0	0	
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to <b>corruption</b>	205-3	0	0	0	0	
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	205-3	0	0	0	0	

Anti-competitive behavior						
Legal actions for <b>anti-competitive</b> behavior, anti-trust, and monopoly practices	206-1	0	0	0	0	See chapter 'Ethical business environment'
Main outcomes of completed legal actions (regarding <b>anti-competitive</b> behavior and violations of <b>anti-trust</b> and <b>monopoly</b> legislation), including any decisions or judgements.	206-1	0	0	0	0	
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning <b>marketing communications</b> (including advertising, promotion, and sponsorship), classified by their result: fine or warning.	206-1	0	0	0	0	

Marketing and Labeling						
Requirements for product and service information and labeling	417-1	0	0	0	0	See chapter 'Ethical business environment'
Incidents of non-compliance concerning <b>product and service information and labeling</b>	417-2	0	0	0	0	
Incidents of non-compliance concerning <b>marketing communications</b>	417-3	0	0	0	0	

Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services							
Number of incidents of non-compliance with regulations that result in a fine or a fine and/or a warning - Ashtrom Contracting	416-2	Warnings and fines were given to some construction sites - see in chapter 'Sustainable environment'					See chapter 'Ethical business environment'
			237	261	162		
Cases of non-compliance with voluntary commitments/codes	416-2	0	0	0	0		

Complaints based on violations of customer privacy and loss of customer data	416-2	0	0	0	0
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Ethics						
Communication and training about anti-corruption policies and procedures						
Total number and percentage of Board of Directors that have received training on anti-corruption	205-2		100%	100%	100%	See chapter 'Ethical business environment'
Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to	205-2		100%	100%	100%	

The total number and percentage of employees who received training about the code of ethics, by level:						
		2020	2021	2022	2023	See chapter 'Ethical business environment'
Managers	205-2		95%	95%	85%	
Non-managers	205-2		80%	80%	85%	
Whistleblowing procedure and mechanism for stakeholders to report COE violation, corruption and bribery, etc.	205-2		3 complaints about bullying/harassment incidents at work, one of which is justified and ended in a warning letter. In addition 4	3 complaints about incidents of harassment at work that are under investigation	One complaint of inappropriate behavior was found to be unjustified. Four complaints of sexual harassment were all handled promptly and without delay	

Non-discrimination						
		2020	2021	2022	2023	See chapter 'Ethical business environment'
Incidents of discrimination and corrective actions taken	406-1	0	0	0	0	

Customer Privacy						
Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	0	0	0	0	See chapter 'Ethical business environment'

Tax					
Approach to taxation, management of taxation policy and stakeholder engagement	207		See Ashtrom Group Annual Financial Report		

Sustainable Procurement						
		2020	2021	2022	2023	See chapter 'Ethical business environment'
Proportion of spending on local suppliers	204-1	Approximately 100% local procurement in Ashtrom Contracting, Ashder and Ashtrom Rental Housing and over 80% in Ashtrom Industries Over 80% local procurement in Ashtrom Industries				
Suppliers assesment	204-2			Ashotrom Construction performed a supplier assesment for its primary suppliers	A supplier assesment of primary suppliers was conducted across Ashotrom Construction, Ashotrom Properties, Ashotrom Residential, and Ashotrom Renewable Energy.	

Board Diversity						
		2020	2021	2022	2023	See chapter 'Ethical business environment'
Females <30 years old	405-1		0	0	0	
Females between 30-50 years old	405-1		0	0	0	
Females >50 years old	405-1		2	2	2	
Total females within the BOD	405-1		2	2	2	

Percentage of females within the BOD	405-1		25%	25%	25%
Men <30 years old	405-1		0	0	0
Men between 30-50 years old	405-1		0	0	0
Men >50 years old	405-1		5	5	5
Total men within the BOD	405-1		5	5	5
Percentage of men within the oBOD	405-1		57%	57%	57%

Accumulated US projects of Ashtrou Renewable Energy							
Project	Tierra Bonita	EI Patrimonio	Whitethorn	Soles Rest	Rolling Sun (SPP)	Greasewood IV	Sum
Location	Texas	Texas	Texas	Idaho	Texas	Texas	
Planned power supply - 100% (1)	398	188	352	176	366	293	1774MW
Project development phase (2)	construction	initiation	initiation	development	initiation	initiation	
Construction cost in millions of dollars (3)	435	188	352	176	366	293	1810
Planned power supply - 100%	109	541					

1. The planned power capacity (MW DC), according to the current development plan. At this stage there is no certainty that all the projects will reach the completion of the development phase, and that the planned capacity will indeed be fully achieved. 100% project, without division into Ashtrou Group's share of the project
2. Construction status and towards construction - according to the Authority's guidelines, projects that meet the cumulative conditions: 1. Approved plan 2. Connection agreement 3. Construction has begun or is expected in the next 15 months.
3. Construction cost: based on the estimate of the cost of works, procurement and development.

GRI 201-2: Climate risks and opportunities management		
	Ashtrou Properties	Ashtrou Renewable Energy
Incorporating into the company	<p>Out of our commitment to promoting environmental sustainability and recognizing climate change as a critical issue, we conduct a comprehensive environmental risk analysis. This analysis assesses the potential impacts of various climate change scenarios on the planet, humanity, and consequently, our business. The analysis considers both short-term (up to five years), medium-term (five to 10 years), and long-term (over 10 years) horizons.</p> <p>Senior management actively participates in this process by mapping and discussing extreme climate scenarios, their potential effects, and mitigation and/or adaptation strategies. The analysis also measures potential financial impacts associated with climate change. This comprehensive approach ensures that climate-related risks and opportunities are effectively integrated into our strategy across all of our operations.</p>	<p>As a company dedicated to promoting green energy and providing solutions that support the transition to a low-carbon economy, we see ourselves committed to addressing the challenge posed by the climate crisis and preparing for its expected impacts for the benefit of our business, our customers, our business partners, and all our stakeholders - as an integral part of our core business activities.</p> <p>Accordingly, in 2023 we developed a plan and held a dedicated workshop to manage our preparedness for climate change by implementing the TCFD (Task Force on Climate-Related Financial Disclosure) guidelines to assess the risks and opportunities arising from this change, which is the leading framework in the world for managing the impacts of climate on the financial performance of organizations. The action plan that was developed, the recommendations from the risk and opportunity assessment, and the decisions made have been implemented, and we plan to review our activities on an ongoing basis.</p>
Corporate governance	<p>Climate risk and opportunity management is led by the company's Head of Innovation and ESG, who is responsible for mapping, analyzing, and deepening the understanding of climate-related risks and opportunities. This mapping work was presented to the company's management in a dedicated working group on the subject and underwent an additional validation round by relevant senior managers from the company. After that, final analysis and recommendations are approved by the company's management.</p> <p>Implementation of the company's decisions to prepare for climate change - including the investment of the required resources - is carried out by the relevant managers and with the approval of the management. The company has defined for itself annual internal and external monitoring and reporting, including reporting in the group's annual ESG report, as part of ongoing and high-priority risk management.</p>	<p>The company conducts a comprehensive mapping, analysis, and discussion of climate-related risks and opportunities - led by the ESG Manager and with the participation of relevant senior managers from the company as part of a dedicated working group. This process will be done every two years for each major project.</p> <p>The risk analysis was brought to an initial discussion in a dedicated workshop with the participation of the company's management. The management discussion addresses mitigation options alongside preparation for climate change. To this end, the presented analysis is discussed and evaluated by the relevant managers in the field, along with raising response options for each risk or opportunity, as well as measuring the relevant financial impacts. The management's recommendations will be implemented in the company's work plans and presented to the CEO and Chairman of the Ashtrou Group Board of Directors, who serve as directors of Ashtrou Renewable Energy.</p> <p>The implementation of the decisions made and the updated work plans will undergo the annual approval process by the company's management, after examining the required resource investment according to the risk appetite of each major project.</p>



<p>Climate change risk assessment with potential to create material changes in operations, revenue, or expenses</p>	<p>The company conducted a climate change risk and opportunity assessment, separating physical risks from transition risks (including market and regulatory risks) in the context of all its operations in <b>Israel</b>.</p> <p>The analysis is based on an extreme climate scenario (global warming of at least two degrees Celsius by 2100 - RCP4.5) and its impacts, probability of occurrence, and timeframe, along with focused analyses related to Israel.</p> <p>The risks were found to be non-material and in most cases required the expansion of existing activities to ensure the minimization of potential impacts.</p>	<p>The company conducted a climate change risk and opportunity assessment, separating physical risks from transition risks (including market and regulatory risks) in the context of its operations at its most central and significant site - the <b>Tierra Bonita site in Texas</b>.</p> <p>The risk assessment is carried out in the preliminary planning stage and as part of the detailed planning stage, before the start of project construction, in accordance with environmental laws and local regulations in the relevant country/region. As mentioned, the company consults with environmental and professional consultants to identify climate risks and assist in the assessment process.</p> <p>The analysis is based on an extreme climate scenario (global warming of at least two degrees Celsius by 2100 - RCP4.5) and its impacts, probability of occurrence, timeframe, and local/geographic aspects in the context of the different projects - in this case, Tierra Bonita in Texas. At the end of the process, the risks were found to be non-material and in most cases required the expansion of existing activities to ensure the minimization of potential impacts.</p>
<p>Indicators and targets for managing the field / Methods used for risk management</p>	<p>The company has defined a set of indicators to monitor and track risks, preparedness measures, and has also defined an ongoing risk management process. The defined indicators focus on the physical risks and opportunities that have been identified as most relevant for further monitoring.</p>	<p>The company has defined a set of metrics to monitor and track risks, preparedness measures, and has also established an ongoing risk management process. The defined metrics focus on physical, regulatory (transition) risk, and, in particular, opportunities that have been identified as most relevant for further monitoring. Some of the defined metrics include:</p> <p>Physical risks: % solar panel wear and tear;  Regulatory (transition) risks: # of regulations affecting the company; % trend change;  Opportunities: Avoided greenhouse gas emissions, ongoing emissions, and % trend change.  Greenhouse gas emissions (Scope 1,2) will be measured once the site completes construction and becomes operational.</p> <p><del>Beyond the monitoring indicators, no additional targets have been set as all risks and opportunities</del></p>
<p>Conclusion</p>	<p>The climate change risk and opportunity assessment, conducted with members of the management team and a subsequent review by the relevant senior managers, led to the conclusion that there are <b>no material risks. Additionally, a number of opportunities emerged to expand existing activities to prepare for physical and transition risks, as well as climate change opportunities that were approved for implementation.</b></p>	<p>The process of integrating TCFD principles into the Tierra Bonita project led to the development of a structured process for managing the field and to a decision to implement a series of steps and measures that will help address and manage risks, as well as examine the promotion of potential opportunities. However, the process led to the insight that there are currently no material climate change risks. The company has identified a number of managed risks.</p>