generation

ESG Report
2024

for generations to come

generation

01
Introduction

for generations to come

Message from the Chairman and CEO

Dear readers,

We are proud to present Generation Capital's 2024 Annual ESG Report. This report had been prepared during a period of heightened geopolitical and economic uncertainty for Israel, which tested the resilience of national infrastructure assets and highlighted their critical role in maintaining uninterrupted essential services.

Within these pages, you will find a comprehensive review of the fund's Environmental, Social, and Corporate Governance (ESG) activities throughout 2024, including performance data and impact analysis across our investments. This report is a core vehicle for transparency, insight, and continuous improvement.

Throughout 2024 and beyond, we remained guided by responsibility, stability, and a forward-looking approach. Even amid ongoing regional conflict, we chose to deepen the positive impact of our investments - economically, environmentally, and socially - while continuing to lead in strategic investments across critical infrastructure and advanced energy solutions.

Our portfolio companies and investments operate at the heart of Israel's economy, maintaining essential services under complex and often challenging conditions. Our power generation assets and diversified energy solutions have supported national energy security. Desalination and wastewater treatment facilities ensured operational continuity and water supply. Public transportation systems maintained continuous service, ensuring essential service for the broader community even during periods of uncertainty. These efforts underscore the importance of resilient, high-quality infrastructure as a cornerstone of national strength and societal stability.

Over the past year, we further expanded the fund's activity across renewable energy, waste management and recycling, water and transportation, while upholding high standards of corporate governance, transparency, and risk management. We continued to integrate ESG principles into decision-making processes and consistently monitor ESG performance across our portfolio, including carbon footprint tracking. The data reflect stable performance with ongoing improvement, supporting an investment strategy aligned with evolving needs and global benchmarks.

In 2024, we completed the establishment of PowerGen, our integrated platform for power generation, energy storage, and electricity supply. In parallel, BlueGen continued to advance large-scale initiatives in water, waste, and recycling, in close collaboration with regulators, municipalities, and local communities.

Israel's complex geopolitical landscape requires us to exercise a disciplined, forward-looking mindset, to act with caution but also with determination, and continue leading infrastructure initiatives that offer clear added value: economic, environmental, and social. We see significant strategic value in continued investment in areas such as waste management, water desalination, public transportation, and renewable energy - not only as growth engines, but also as a foundation for national resilience. We intend to continue growing and developing in these fields.

Amid our ongoing efforts, our hearts are with the families of those held hostage and with the IDF soldiers. We hope for their safe and swift return home, whole in body and in spirit.

We wish to extend our sincere appreciation to our team, as well as to the managers and employees across our portfolio companies, who worked tirelessly with dedication and professionalism throughout an especially challenging year. Your commitment enabled us to maintain the quality of essential services, continue advancing long-term projects, and deepen our contribution to Israel's economy and society.

We will continue to act with responsibility, transparency, and innovation, for a better future for the current generation and for generations to come.

Joseph Singer,
Founder and Active
Chairman of the Board

Erez Balasha,
Founder and CEO

About the Report

This is the third ESG report published by Generation Capital (hereinafter "the fund," "the Company" or "Generation"), which details the fund's business activity in the ESG fields throughout 2024. As a rule, the reporting boundaries encompass the fund itself and its activities, with an emphasis on how investments within the fund are managed in consideration of ESG factors. However, in relevant parts, the report also incorporates information pertaining to the fund's portfolio companies, in accordance with the status of the fund's investments during the reporting period (for example, with respect to companies added to the investment portfolio in 2024, or existing portfolio companies that were merged, the report will only include information pertaining to that year). It is noted that some of the data will be provided only with respect to some of the portfolio companies, in accordance with ESG materiality considerations, or in accordance with the fund's stakes in the companies (certain data will be reported only for portfolio companies in which the fund has a stake higher than 50%). Any reference to the present time (when stated as "currently") refers to the status as of December 31, 2024, unless expressly indicated otherwise. In this context, it is clarified that any reference to "fund employees" refers to employees of the management company, Generation Management Ltd., including the "fund's management," unless explicitly stated otherwise.

All financial data in this report are consistent with the fund's financial reporting and are presented in New Israeli Shekels (NIS).

The report is written in accordance with the requirements of the leading ESG reporting standards of the Sustainability Accounting Standards Board (SASB), following the protocol for the Asset Management & Custody Activities sector as of December 2023. The fund's carbon footprint was calculated in line with the GHG Protocol. Emissions attributed to the fund's financial investments (the emissions in Scope 3 of the fund itself) were measured using the PCAF standard, the leading global accounting methodology for measuring and reporting greenhouse gas emissions in the financial sector. Furthermore, the report details the contribution of the fund and its investments to advancing the UN Sustainable Development Goals (SDGs).

This report significantly expands the scope of the disclosure related to the fund's key ESG investment performance indicators. It also offers further information about the way by which the fund implements its responsible investments policy, which was adopted several years ago.

We appreciate your interest in the fund's activities in general, and in our ESG efforts in particular. For inquiries related to the report or our ESG activities, please contact the following email address: Omris@generation.co.il

Disclaimer

The fund voluntarily publishes this report for the benefit of its stakeholders. Among other things, the report includes information regarding the fund's ESG programs and those of its portfolio companies for the coming years, which also includes forward-looking information, as defined in the Securities Law, 5728-1968, including programs, targets, estimates, forecasts, evaluations, business strategy and any other information in any other form that relates to future events or matters in the ESG domains, pertaining to the activities of the fund and its portfolio companies, whose realization is uncertain and is not in the fund's control ("**forward-looking information**").

There is no certainty that the fund's actual performance or achievements, or those of its portfolio companies, with respect to ESG objectives and initiatives, will correspond to the information set forth in this report, and they may differ, even substantially so, from the data presented herein. The fund does not undertake to update or revise the aforementioned projections, estimates, or this report as a whole.

Additionally, this report includes several topics the fund has chosen to highlight. However, the inclusion or non-inclusion of certain information, does not indicate whether such information is material or immaterial, as expressed in the fund's reports in accordance with the Securities Law. Nothing in this report shall be construed as a representation by the fund regarding the entirety of its operations. It is emphasized that the report is based on business data relevant to the fund's activity, and the information contained herein is not a substitute for data published by the fund, including its financial statements. Accordingly, with respect to financial or other data, only the information published in the fund's official filings, including its financial reports, shall be considered binding. In the event of any discrepancy, the data as published in the official filings shall prevail. This document does not constitute any express or implied representation or commitment, and no reliance should be placed on the accuracy, completeness, or correctness of the information or opinions contained herein. Neither the fund nor any of its employees or representatives shall bear any liability (whether due to negligence or otherwise) for any loss stemming in any way from the use of this document, its content, or in connection therewith. Descriptions of future activities of the fund or its portfolio companies are subject to risks and uncertainties that may result in materially different outcomes from those anticipated. Therefore, no reliance should be placed on this report as a basis for predicting future actions.

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The fund's profile: Generation Capital

for generations to come

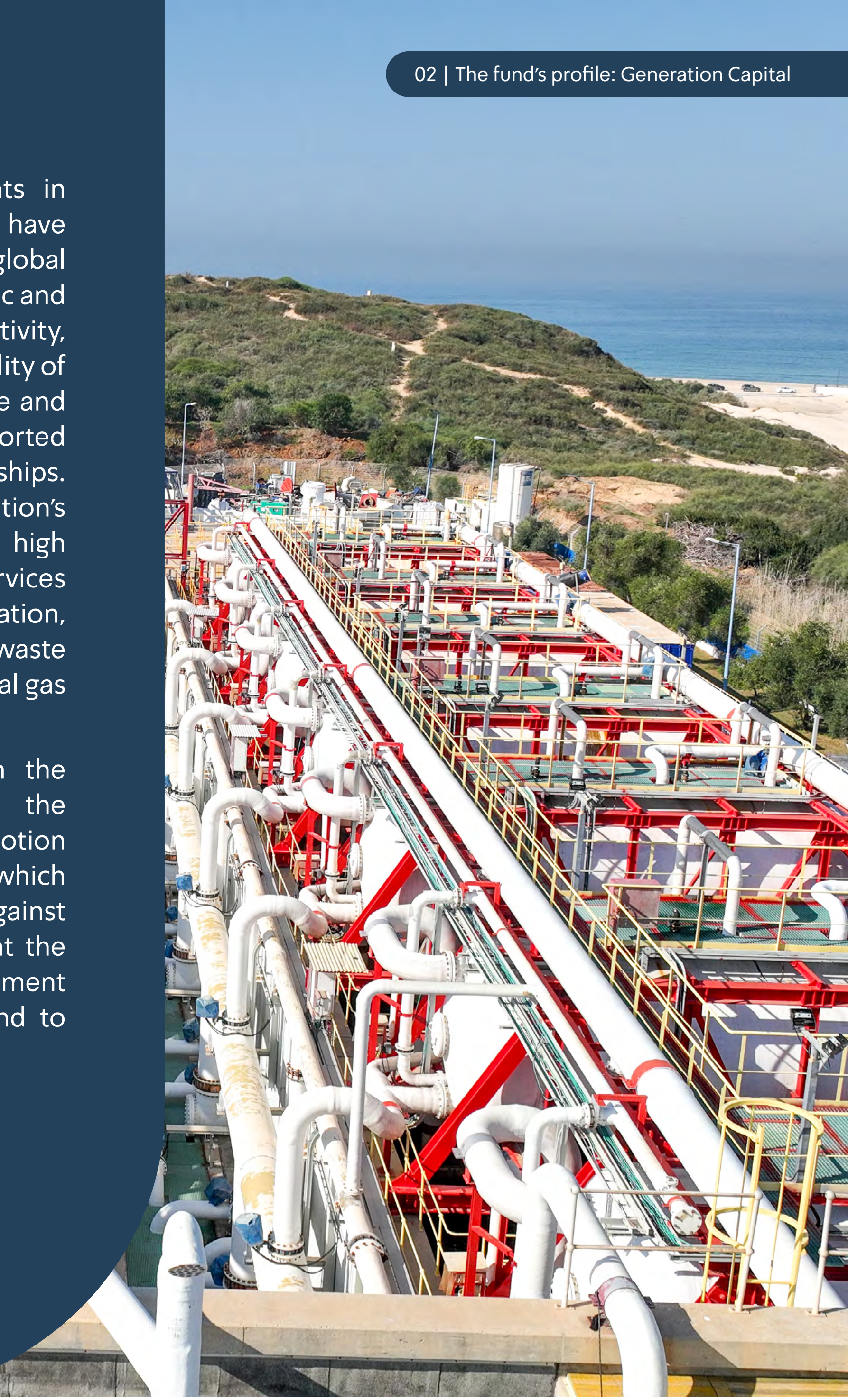
Fund Overview

The fund was established in 2018 as Israel's first publicly traded infrastructure fund, designed to make the unique advantages of the infrastructure and energy sectors accessible to the public capital markets. The fund's objective is to serve as a yield-generating investment platform with low correlation to the broader market and the ability to generate excess value for its shareholders, based on the characteristics of the infrastructure and energy sectors, its investment policy, asset mix, and high professional capabilities across its operations.

The fund follows a proactive investment approach, placing value creation and business entrepreneurship at its core. Accordingly, it emphasizes active management, consolidating and leadership of strategic principles across its portfolio assets. The goal is to drive asset enhancement, maximize investment returns, and deliver value to investors that extends beyond financial gain alone. The platform companies are currently at a significant stage in their development, with broad horizontal and vertical reach and multiple opportunities for expansion. They benefit from substantial growth potential, project origination, and development supported by economies of scale, operational synergies, and reduced entry barriers—alongside strong and stable cash flows.

The fund has chosen to focus its investments in the infrastructure and energy sectors, which have consistently served as essential engines of global economic growth and drivers of national economic and social development, through increased productivity, enhanced production capacity, and improved quality of life for the broader population. The infrastructure and energy sectors in Israel continue to evolve, supported in part by successful public-private partnerships. Even in a complex year like 2024, Generation's assets demonstrated resilience, operated with high availability, and delivered critical infrastructure services across all areas of investment - electricity generation, water desalination, wastewater treatment, waste management, transportation, public transit, natural gas distribution, and logistics services.

In recent years, the Israeli market has seen the advancement of growth-oriented regulation, the allocation of significant resources, and the promotion of infrastructure projects and privatizations, all of which support a more dynamic and expanding market. Against this backdrop, the fund has chosen to represent the infrastructure [1] and energy sectors within its investment portfolio, to focus on the domestic market, and to manage the majority of its investments in Israel[2].



1 Infrastructure assets as defined in the Stock Exchange Regulations (Section 1b.3 of Chapter VI of the guidelines pursuant to Part II of the Stock Exchange Regulations).

2 According to the fund's current investment policy, at least 75% of the fund's assets will be located in Israel.

Generation's Investment Policy

To realize the fund's objectives and targets, a business strategy was formulated, incorporating an investment policy based on clearly defined principles, as specified below:

01

Asset Stability

The fund's anchor assets will consist of holdings with stable, predictable, and long-term cash flows, fully or partially linked to the Consumer Price Index (CPI). These assets include demand protections and state-backed guarantees, designed to provide investors with a stable long-term cash flow outlook, distributed as recurring annual dividends.

02

Diversification and Selectivity in Investment Selection

Conscientious investment decisions and extensive asset diversification across various segments within the infrastructure and energy sectors serve as our guiding principles. We aim to build a diversified investment portfolio with assets that carry varying risk profiles within each segment and deliver appropriate returns, while also creating the potential to generate excess returns.

03

Control and Impact

The fund operates to establish the ability to generate impact across its invested assets through active management, including board-level participation, the appointment of top-tier executives, and leading key operational processes. The objective is to drive continuous improvement in the performance of portfolio assets, with a focus on expanding their operational scale, enhancing efficiency, and achieving financial optimization.

04

Excess Return

The fund's unique operational model, through the establishment of platform companies, enables expansion within each segment across the entire value chain, and accordingly, allows for the generation of profits from several strands within each project. This facilitates value realization and excess return generation by utilizing synergies and economies of scale. The focus will be on income-generating assets with enhancement potential to increase asset value and long-term cash flows, alongside selective investments in assets under development, early-stage initiatives, and projects in planning or construction stages, all with diverse revenue streams and significant growth potential.

05

Social and Environmental Sustainability

The fund operates in sectors with direct environmental and social impact. Accordingly, we are committed to principles of environmental and social sustainability, recognizing that responsible investing can shape economic, environmental, and social outcomes.. In line with this commitment, the fund has adopted an environmental and social policy consistent with responsible investment (ESG) principles, and integrates environmental and social considerations into its investment policy.

06

Transparency for Investors

The fund has embraced transparency as a core principle, viewing its investors as key stakeholders and full partners in its ongoing operations. We are committed to maintaining an open and continuous dialogue with our investors, fostering trust and mutual growth in pursuit of shared financial objectives.

Timeline

2018	Generation Capital is established by Mr. Joseph Singer and Mr. Erez Balasha
2018	Initial investments in the energy and transportation sectors
2019	The company's first IPO on the TASE, becoming Israel's first listed infrastructure fund
2020	First environmental-sector investment through the acquisition of GES (now BlueGen)
2021	First direct investment outside of Israel — in the British rolling stock company Porterbrook
2021	ESG Investing Policy approved by the Board of Directors
2022	Expanded control over the fund's leading platform companies - Bon Tour and Rapac Energy[3], including significant value realization at GES
2023	Publication of the fund's first ESG report
2024	Management agreement revised
powergen 2024	Completion of PowerGen's establishment, which consolidates the portfolio companies in the energy sector — electricity generation, storage and supply

3 As of this date, PowerGen, whose establishment was completed in 2024, serves as the platform company consolidating all of Generation's energy-related operations: electricity generation, energy storage, and electricity supply to customers. These activities are carried out through the companies Rapac Energy (now called PowerGen Power Plants), MRC Alon Tavor Power, Solegreen (now: Solar A), PSP, and Zen Energy Charging, as well as a 50% stake in Bezeq-Gen, a joint venture with Bezeq. For further details regarding the transaction, please refer to the Company's reports to the TASE.

Financial Performance Highlights[4,5]

	2023	2024
Return on equity (before tax)	17.32%	7.50%
NAV per share (neutralizing deferred taxes)	1.84 NIS	1.90 NIS
Pre-tax profit	345 Million NIS	103 Million NIS
Fair value of the portfolio's assets	3.9 Billion NIS	4.2 Billion NIS
Equity	2.1 Billion NIS	2.2 Billion NIS
Net financial debt to total balance sheet (leverage)	41.0%	40.8%

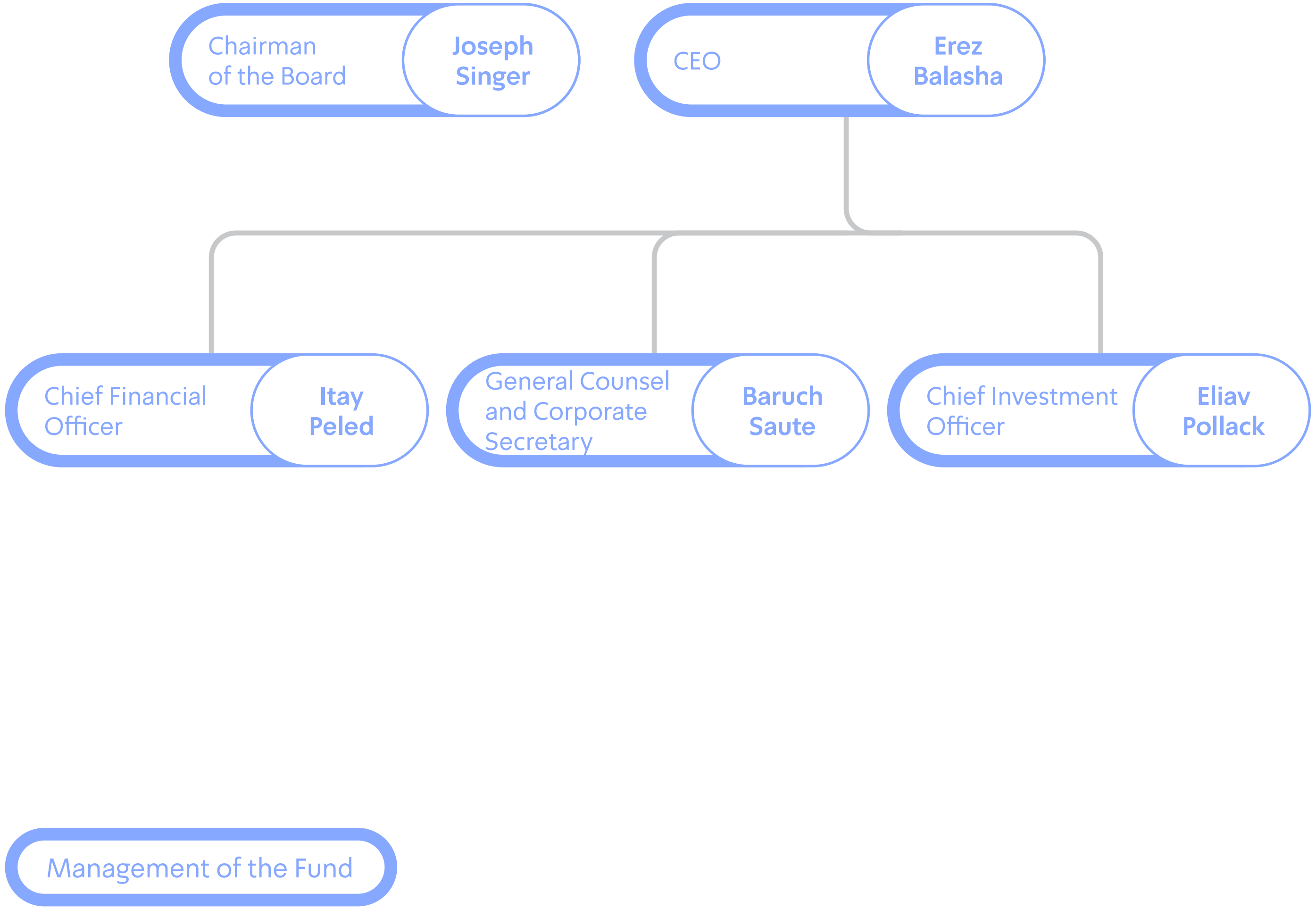
4 Based on the fund's performance in 2023 and 2024 as reported in the 2023 and 2024 financial statements.
5 All figures from the annual report are approximate.

Organizational Structure

Generation is an investment fund listed in the TASE as a public company engaged in infrastructure and energy projects, constituting a key component of national operations and providing essential services to the public and the economy. As part of its structural model, and consistent with the structure of many investment funds in Israel and worldwide, the fund has entered into a services agreement with its management company, Generation Management Ltd. ("the management company"), under which the management company provides the fund with management services through its employees.

The fund's investment activities include investments in a range of companies operating across various infrastructure sectors and at different investment scales, carried out either directly by the fund or indirectly through corporations held by it. As a general rule, the fund aims to manage its investments in each of its core sectors – transportation, environment, electricity and energy, and logistics – via a central platform company, which also facilitates additional investments in the same sector, as further detailed below.

In line with the fund's investment policy and its objective to exercise active management over its assets, officials on behalf of the fund are appointed to its portfolio companies' Boards of Directors and, where relevant, also to the Boards of the latter's subsidiaries (as long as these exist and have a separate board).



The above-mentioned structure is correct as of June 2025.

Review of Investment Portfolio

Since its inception, Generation has positioned itself as a leading infrastructure fund in the Israeli market by dispersing its operations across the main growth sectors, establishing strong and professional platforms, implementing attractive purchase transactions and developing first-class capabilities in such domains as tenders, financing and operations.

The fund's investments focus on infrastructure and are divided into four key operating segments (sectoral breakdown[6]):

36% | Electricity & Energy

Generation's energy-related activity is conducted primarily through PowerGen, its electricity and energy platform, which consolidates investments in electricity generation, storage, and supply. Furthermore, the fund holds investments in natural gas distribution in Southern Israel and in electric vehicle charging solutions in Central and Eastern Europe

powergen[7] greenway

34% | Transportation

The fund operates in the transportation sector in Israel through Bon Tour, its transportation arm. Bon Tour is a stable and growing multi-modal transportation group, recognized as a market leader across each of its core business segments[8]

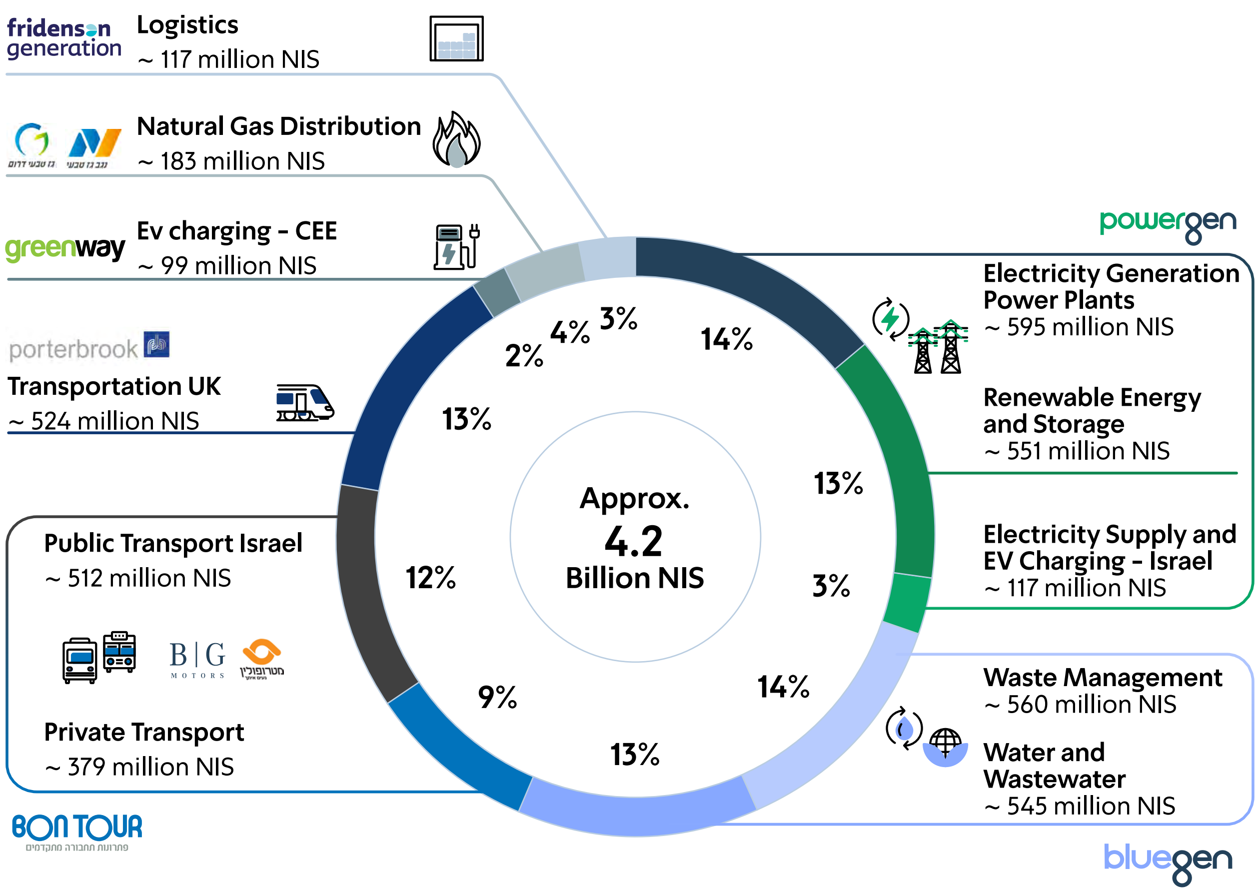
27% | Environment

Generation operates in the environmental sector through BlueGen, its environmental arm. BlueGen focuses on the development, execution, and operation of water, wastewater, and waste treatment projects across the entire value chain, alongside global activity in the sector

3% | Logistics

Generation operates in the logistics sector through its investment in Fridenson–Generation, a partnership with the Fridenson Group, a logistics player with a strong presence in Haifa and Ashdod ports and their vicinity. This partnership provides a wide range of storage solutions to customers

Diverse Portfolio of Top Infrastructure Assets



6 Percentage of the fund's fair value.
7 See Footnote 3 above. The activities of the companies held by PowerGen are presented in this report on a consolidated basis under PowerGen.
8 Additionally, Generation is active in the rail transportation sector in the United Kingdom through Porterbrook, one of the largest and longest-established rolling stock leasing companies in the UK. As of the third quarter of 2024, the fund's investment in Porterbrook was classified as an asset held for sale. The fund is working to realize this investment in 2025 as part of its strategy to focus its resources on core activities in Israel.

By the end of 2024, the fund invested across a broad range of infrastructure segments[9]:

01 • BlueGen

bluegen

Water, Wastewater and Waste | Environment

The company operates directly and through held companies in two primary areas:

Water and Wastewater in which the company initiates, plans, establishes and operates desalination plants, water and sewage treatment plants, sanitary wastewater treatment facilities, soil and groundwater remediation, and other installations for treating wastewater. Among other activities, the company is a partner in the operation of two national desalination infrastructure projects – the seawater desalination plants in Palmachim and Ashdod (which together account for approx. 30% of Israel's total desalinated water output), and a long-term groundwater remediation project in the area of the former IMI factory in Ramat HaSharon (which is part of the "Yarkon River Rehabilitation Project").

Waste Treatment in which the company initiates, owns and operates facilities for the sorting and recycling of municipal solid waste (dry and organic), as well as end-treatment facilities aimed at reducing landfill use. Its activity in this field includes the operation of the waste management facilities in Jerusalem (Green Net), in Hiriya, in the Shafdan area (SmartWaste facility), and in the Eshkol Regional Council (Daya Facility). The company also engages in the collection and recycling of packaging materials, bottles, tires, and other materials via its subsidiaries, Dekel Industries and KMM.

05/2020
Date of first investment

80.01%
Holding Percentage as of 31.12.2024

1,105
Holdings' value (NIS millions) as of 31.12.2024

02 • Bon Tour - Metropoline

BON TOUR
פתרונות תחבורה מתקדמים
מטרופולין
נעים איתך

Mass Transit and Public Transportation | Transportation

Bon Tour is one of the largest transportation companies in Israel, offering a wide range of transportation services to the private and public sectors. The company operates daily, recurring and scheduled transport services for regular clientele across Israel. Bon Tour's broad operational scope provides economics of scale, reflected in operational flexibility, cost efficiency and the integration of advanced fleet management technologies.

Through its wholly (100%) owned subsidiary, Metropoline, Bon Tour operates public transportation services in four geographic clusters: the Negev, Sharon and Holon, the New Sharon and Ono-Elad. This activity is at the heart of Israel's public transportation sector, a market expected to attract tens of billions of NIS in investments in the coming years due to road infrastructure challenges, and the growing traffic congestion.

Furthermore, the company is active in the field of passenger and public transport vehicle importation through BG Motors (45%), enhancing its position along the transportation value chain and supporting the expansion of its mobility solutions.

09/2018
Date of first investment

73.12%
Holding Percentage as of 31.12.2024

890
Holdings' value (NIS millions) as of 31.12.2024

9 The definition of the infrastructure sector is based on the classifications set forth in the stock exchange regulations and the allocation of portfolio companies to sectors is made accordingly.




03 • PowerGen[10]

Electricity Generation, Storage and Supply | Electricity and Energy

PowerGen operates in the electricity generation, storage, and supply sectors. In the generation and storage segment, the company engages in electricity production through power plants, cogeneration, photovoltaic systems, pumped-storage facilities, and more. In the supply segment, alongside its activity as a major electricity provider for commercial customers, PowerGen also supplies electricity to small business and residential customers through Bezeq-Gen .

The company's **electricity generation** activity includes six power plants located in Northern Israel (Ramat Gabriel and Alon Tavor – MRC) and Southern Israel (Sorek and Ashkelon), as well as an additional project in development (Reindeer), with a total capacity of approx. 3.0 GW (installed and under-construction).

The company's **renewable energy** activity includes rooftop photovoltaic systems, dual-use land installations, and ground-mounted systems, some of which incorporate storage solutions. The company's portfolio includes income generating assets with an approximate capacity of 152 MW (installed) and 90 MWh of storage capacity; Projects under construction with an approximate total generation capacity of 249 MW and 906 MWh of storage capacity, and assets under various stages of development and planning with approximate capacity of 508 MW and 6,123 MWh of storage capacity.

In the area of **pumped-storage**, the facility in Ma'ale Gilboa generates an installed storage capacity of approx. 3,000 MWh. This facility, which is the only one of its kind currently operating in Israel, converts surplus electricity from the grid during off-peak hours into potential energy by pumping water. When needed, this energy is converted back into electricity using hydroelectric technology.

Additionally, in 2024, PowerGen began operating through Bezeq-Gen in the **supply of electricity to residential** and small-to-medium business customers. PowerGen also operates in the **electric vehicle charging sector**, providing installation, maintenance, and operation of EV charging stations, as well as managing electricity sales for charging at managed sites. The company is also active in the **sale of natural gas** in the secondary market.

09/2018
Date of first investment

100%
Holding Percentage as of 31.12.2024

1,263
Holdings' value (NIS millions) as of 31.12.2024

10 In 2024, Generation completed the establishment of the PowerGen platform through the signing of an investment agreement with The Phoenix, the privatization of Solegreen, the acquisition of control in Rapac Energy, and the consolidation of all other energy assets into the platform, including Zen Energy, PSP, and Rapac Energy.

04 • Porterbrook

Rail Transport in England | Transportation

The company is engaged in the acquisition, financing, leasing, and maintenance of train fleets for the operation of railway lines across the United Kingdom (UK). It is the second-largest passenger rolling stock leasing company in the UK, with a fleet of approx. 4,000 trains, most of which are electric-powered[11] (representing around 23% of all trains in the UK). The company invests in a range of innovative technologies aimed at reducing the environmental footprint of its trains. Among other initiatives, it is advancing the FLEX projects, which focus on the development of sustainable rail technologies, including electric charging and hydrogen-powered propulsion systems.

10/2021
Date of first investment

10.00%[12]
Holding Percentage as of 31.12.2024

524
Holdings' value (NIS millions) as of 31.12.2024

11 Approx. 70% of the rail fleet are electrically powered using Electric Multiple Unit (EMU) technology.

12 During 2024, the fund announced its intention to divest from Porterbrook in order to focus its resources on operations in Israel. As of 2025, the fund continues to work toward completing the divestment.

05 • Gas Distribution Companies

Natural Gas Distribution and Infrastructure Operation | Electricity and Energy

The group of companies holds exclusive licenses for the construction, maintenance, and distribution of natural gas via underground pipeline networks in the Negev and Southern regions of Israel. The companies operate 558 kilometers of active distribution pipelines through Negev Natural Gas and South Natural Gas. The pipeline network currently serves 76 connected industrial customers (with an additional 9 industrial customers connected but not yet activated for gas supply). Among the connected facilities are the Etgal power plant and the Ashdod desalination facility.

The distribution network that the companies operate supplies natural gas to the industrial sector, cogeneration plants, energy centers, agricultural facilities, housing units, commercial centers, and fueling stations. The natural gas transported through the company's infrastructure represents the cleanest fossil fuel alternative currently available for industrial and residential use, with significantly lower emissions of pollutants and greenhouse gases compared to other fossil fuels such as oil, coal, and heavy fuel oil.

09/2019
Date of first investment

33.33%
Holding Percentage as of 31.12.2024

183
Holdings' value (NIS millions) as of 31.12.2024

06 • Fridenson-Generation

Logistics Storage | Logistics

Fridenson—Generation operates in the logistics storage sector, encompassing the management, development, operation, and maintenance of six logistics complexes - four active and two under construction - located near the seaports of Ashdod and Haifa, spanning approx. 175,000 sqm. These facilities provide storage services for cargo before and after customs clearance, inventory management services, and value-added services such as product adaptation to Israeli standards.

08/2021
Date of first investment

50.00%
Holding Percentage as of 31.12.2024

117
Holdings' value (NIS millions) as of 31.12.2024

07 • Greenway

EV Charging | Electricity and Energy

The company is engaged in the development, operation, and management of electric vehicle (EV) charging networks in Poland, Slovakia, and Croatia. It is one of the leading EV charging companies in the fast public charging segment in Central and Eastern Europe. Greenway manages approx. 2,500 AC and DC charging stations. Around 80% of EV owners in Poland and Slovakia are company subscribers and use its network of 875 owned charging stations, of which approx. 56% operate on electricity sourced from renewable energy.

03/2022
Date of first investment

19.10%
Holding Percentage as of 31.12.2024

99
Holdings' value (NIS millions) as of 31.12.2024

Material ESG Issues

ESG is a framework encompassing hundreds of topics across environmental, social and corporate governance domains, which both influence and are influenced by the activities of business entities. To provide comprehensive and relevant information to its stakeholders, the fund focuses its reports on those issues most material to its operations, in line with standard practice for reports of this kind.

To identify the issues material to the fund's activities, an in-depth process was conducted in accordance with the "double materiality" approach, under which a topic is considered material if it has a significant impact on the fund's business or financial performance, or if the fund's activity has a significant impact on such topic. To that end, the fund conducted a comprehensive study pertaining to the expectations of its stakeholders (particularly investors, rating agencies, and regulators), the key ESG impacts of the fund and its portfolio companies, and the scope of ESG reporting by comparable global institutions. The fund validates its materiality assessment annually as part of the preparation for publishing its ESG report.

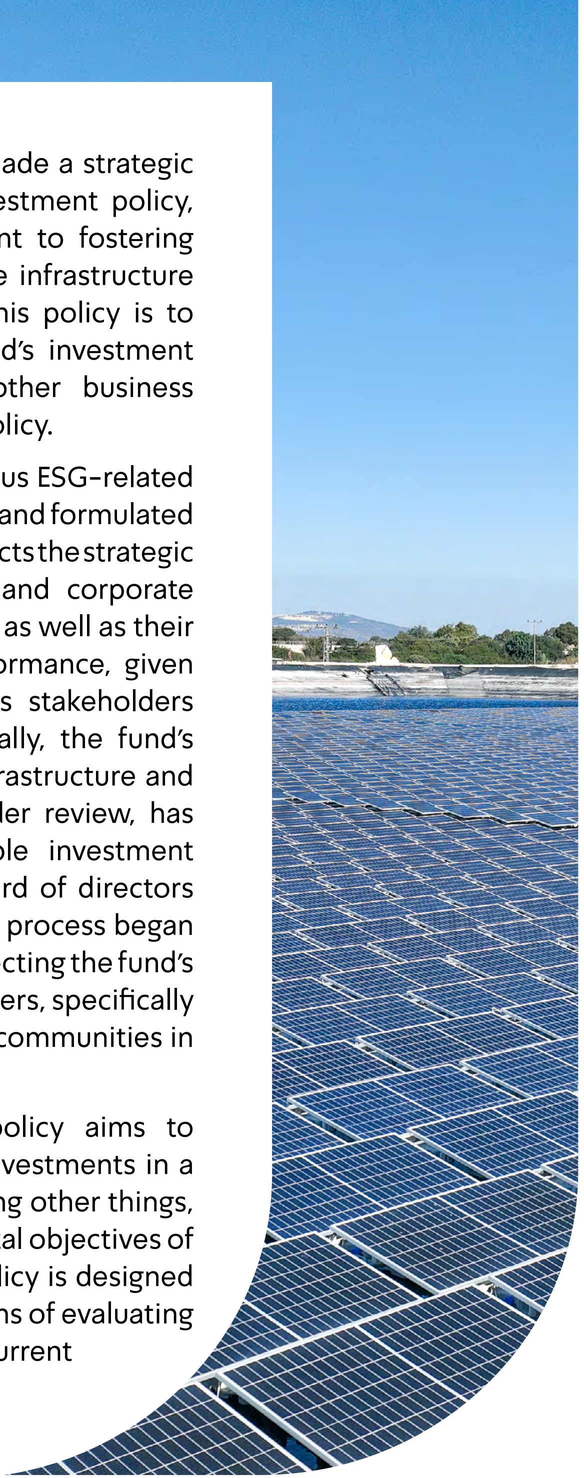
In addition to the material issues identified for the fund itself, a similar process was previously conducted with regard to the fund's key areas of investment, as part of the formulation of its responsible investment policy (see details below). The fund continuously monitors the performance of its portfolio companies in the different areas of this policy, and key performance indicators are published in this report.

Environmental	Social	Governance
Carbon Footprint	Work Environment	Cybersecurity
Reducing Resource Consumption	Contribution to the Community	Effective and Appropriate Corporate Governance
Environmental performance of the portfolio companies within the scope of the responsible investment policy	Social performance of the portfolio companies within the scope of the responsible investment policy	Implementation of advanced corporate governance standards in the portfolio companies

generation

03
Sustainable Investments

for generations to come



In 2021, the fund's board of directors made a strategic decision to develop a responsible investment policy, demonstrating the board's commitment to fostering innovation and sustainability within the infrastructure and energy sectors. The purpose of this policy is to provide strategic direction for the fund's investment activities and to complement the other business considerations guiding its investment policy.

The fund's management examined various ESG-related aspects relevant to its business activities and formulated a responsible investment policy that reflects the strategic importance of environmental, social, and corporate governance considerations for the fund, as well as their long-term impact on investment performance, given the expectations of the fund's various stakeholders and its portfolio companies. Additionally, the fund's impact as a strategic investor in the infrastructure and energy sectors on the ESG topics under review, has also been considered. The responsible investment policy was approved by the fund's board of directors in January 2022, and its implementation process began immediately thereafter, in a manner reflecting the fund's ongoing commitment to all its stakeholders, specifically employees, investors, partners and the communities in which the group operates.

The fund's responsible investment policy aims to guarantee continued return from the investments in a sustainable manner that supports, among other things, the fulfillment of social and environmental objectives of national and global importance. The policy is designed to foster a holistic approach, both in terms of evaluating new investments and in managing the current investment portfolio.

Responsible Investment Approach

The fund views the business activities of companies in the infrastructure and energy sectors as a key driver of economic growth and development. This contribution is reflected in a broad range of areas, including job creation, more efficient and optimized resource utilization, investment in companies and projects that directly support environmental quality, the integration of advanced technologies into infrastructure projects, reduced air pollution, expanded accessibility to public services, and more. The business value of infrastructure companies is inherently tied to their environmental, social, and economic impact. Accordingly, and to enhance both the business value and broader impact of its portfolio companies, the fund is committed to responsible investment practices and to the adoption of environmental and social standards alongside advanced principles of corporate governance, ethics, and integrity across all its investments. The fund recognizes that strong ESG performance directly influences the long-term financial performance of its portfolio companies and is essential to achieving its business objectives and meeting stakeholder expectations.

The fund aspires to contribute to advancing the United Nations Sustainable Development Goals (SDGs) across all its investments (see further details in the following section) and actively encourages its portfolio companies to maximize the environmental and social value they generate through their operations.

The fund's Responsible Investment Policy is designed to establish the importance it places on ESG considerations across all dimensions of its business activity and ensure the integration of these considerations into its investment management processes, from the evaluation and decision-making stage for new investments to the ongoing involvement as a strategic investor in the development of its portfolio companies. Accordingly, the fund acts to advance ESG-related initiatives across all portfolio companies and seeks to instill a long-term perspective that recognizes the significance of managing environmental and social impacts as an integral part of their core business activities.

As part of the implementation of its responsible investment policy, the fund maintains an ongoing ESG-focused dialogue with its portfolio companies. This dialogue underscores the importance the fund attributes to ESG considerations and requires companies to incorporate ESG issues into their annual work plans and submit relevant reporting accordingly. The fund has developed dedicated models for evaluating and ranking ESG risk management within its portfolio companies. These models are designed to assess both quantitative and qualitative indicators, using standardized and comparable metrics across various ESG dimensions. The evaluation framework enables the fund not only to assess new investments through an ESG lens, but also to drive continuous improvement in ESG-related performance across its existing portfolio. The fund believes that integrating these principles meaningfully contributes to the long-term stability and growth of its investments, while also supporting the advancement of critical environmental and social goals.

Advancing the UN's Sustainable Development Goals (SDGs)

In 2015, the UN General Assembly decided to advance the 2030 Agenda for Sustainable Development. The program includes 17 overarching goals that are called Sustainable Development Goals (SDGs), aiming to guide decision makers in countries worldwide to advance holistic and long-term solutions for humanity's challenges in the environmental, social and economic domains.

As a company operating in the infrastructure sector, positioned at the key interface between government and the private sector, the fund places strong emphasis on advancing the SDGs through its activities and those of its portfolio companies, and on supporting national efforts to achieve these goals. The fund is committed to the ongoing development of the infrastructure and energy sectors, which are essential to ensuring long-term economic and social stability and prosperity. In practice, the fund's investments advance a significant number of the SDGs, given the breadth of its infrastructure-related operations, their employment footprint, and the fund's wide geographic presence, including, among other things, global activities.

The core business activities of the portfolio companies contribute (among other things) to advancing the following SDGs:

3 GOOD HEALTH AND WELL-BEING

By increasing the use of natural gas in the economy, thereby reducing air and environmental pollution associated with coal and petroleum-based fuels

6 CLEAN WATER AND SANITATION

By ensuring the availability and sustainable management of water resources, and supporting the development of desalination capacity, wastewater treatment, and water recycling and reuse technologies

7 AFFORDABLE AND CLEAN ENERGY

By promoting the use of renewable energy sources and advancing energy storage solutions

8 DECENT WORK AND ECONOMIC GROWTH

By fostering sustainable economic growth and promoting full, productive, and equitable employment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

By contributing to improved resource-use efficiency and encouraging the broad adoption of clean, environmentally friendly technologies

11 SUSTAINABLE CITIES AND COMMUNITIES

By promoting sustainable urban infrastructure and ensuring safe, inclusive, and accessible transportation networks that effectively link urban centers with peripheral regions

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

By ensuring sustainable management and efficient utilization of natural resources, including a significant reduction in waste generation through recycling and reuse

13 CLIMATE ACTION

By supporting and fostering initiatives and measures aimed at addressing climate change and its impacts

You can see how each portfolio company's business activities contribute to advancing the various objectives, as outlined below:

BlueGen

6 - Contributes to wastewater treatment, by operating 231 municipal and industrial sewage purification facilities, which processed 48.6 million cbm in 2024, an increase of 1.4%. Recycling wastewater as an alternative water source for industrial use helps clients meet their ESG objectives.

In addition, the company supports national desalination efforts by operating two large-scale desalination plants, accounting for approx. 30% of Israel's total desalinated water output.

12 — BlueGen is a Pivotal player in the household waste sector. Contributes to responsible and efficient waste management, by operating facilities for waste sorting, separation and recycling. Upon construction completion of the Smart Waste and Daya facilities, BlueGen operations will significantly reduce landfill volumes while increasing the share of recycled waste.

3 6 8 9 11 12 13

Bon Tour - Metropoline

11 — The company operates thousands of buses and additional vehicles across its transportation operations, including Bon Tour's shuttle services and Metropoline's public transit network. The public transport function has an extensive annual deployment of approx. 100 million km, serving around 67 million passengers per year. The shuttle services, serving employees, students, and others, carry out approx. 8,000 daily journeys nationwide. The company continues to expand its fleet of electric service vehicles as part of its ongoing commitment to sustainable mobility.

13 - Mass transit services reduce reliance on private vehicles, thereby contributing to lower air pollution levels and a decrease in greenhouse gas emissions. Approx. 420 buses in Metropoline's fleet are either electric or natural gas-powered, significantly enhancing the company's environmental contribution.

3 7 9 11 13

PowerGen

3 — Contributes to the mitigation of air pollution by generating electricity primarily from natural gas, thus supporting a broader shift toward lower-emission power generation.

7 — PV Systems: The company has approx. 152 MWh of installed capacity and 90 MWh of solar energy's storage capacity from commercially operated projects in Israel and Europe.

7 - Operates a hydropower facility that produces clean energy using pumped-storage with an installed capacity of 3,000 MWh, positioning it as a strategic, essential, and distinctive pillar of the national renewable energy ecosystem.

12 — Markets smart EV charging stations and actively supports the transition to sustainable transportation. Operates thousands of charging points across Israel.

3 7 8 9 11 12 13

Porterbrook

13 - The company's fleet comprises approx. 4,000 railcars, and it advances a fleet electrification program, with 61% of its rolling stock already powered by electric propulsion. It also supports the development of additional low-emission propulsion technologies. The company continuously monitors its greenhouse gas emissions and has set a target for investments in Zero Tailpipe Emissions vehicles and bi-mode (hybrid) trains to account for 95% of its total rolling stock investments.

3 8 9 11 12 13

Gas Distribution

3 — The Negev Gas and Natural Gas South companies operate a natural gas distribution network spanning approx. 558 km across the Negev and Southern Israel, with an additional 129 km in planning and development. Their operations support the transition away from polluting petroleum-based fuels.

3 9 11

Fridenson-Generation

8 — The company operates four logistics hubs, with two additional facilities under development, spanning approx. 175,000 sqm near Israel's main seaports, Haifa and Ashdod. These provide access to key distribution routes and contribute to the supply chain operations of numerous companies across foreign and domestic industries.

8

Greenway

11 — Supports the transition to sustainable transportation by operating and managing 2,458 EV charging points across Poland and Slovakia (875 of them directly owned by Greenway).

3 8 9 11 13

!

The attainment of the SDGs constitutes forward-looking information, as defined in the Securities Law, reflecting the fund's assessments and intentions regarding the advancement of the business activities of its portfolio companies. These assessments are based on information available to the fund at the time of this Report, which relies on hypotheses, facts, and data (hereinafter, collectively, "the hypotheses") known to the fund at the time of its preparation. These hypotheses may not materialize due to factors beyond the fund's control.

Main SDG

Transverse Contribution 3 6 7 8 9 11 12 13

Our portfolio's impact

The fund places significant focus on identifying and understanding material issues related to its impact on external stakeholders, first and foremost the Israeli public — one of the fund's key stakeholders. The fund views the infrastructure sectors as engines of environmental, social, and economic growth for the Israeli economy. The positive impact generated through activity in these sectors is broad and multifaceted, varying by area of operation. In an effort to deepen its understanding of the fund's material contribution to the Israeli economy and to sharpen its focus on delivering meaningful added value to its primary stakeholders, the fund conducted an impact analysis across each of its core investment areas: energy, environment, and transportation.

Energy

The fund's activity in the energy domain is diversified and spans electricity generation, energy storage, natural gas distribution, and power supply. The fund owns a variety of assets and technologies for electricity generation and storage, including solar power production, conventional power plants, cogeneration facilities, and Israel's first pumped-storage hydropower station.

Through its investments, the fund operates to strengthen Israel's energy independence and diversify the sources of energy used in the country. In this context, the fund prioritizes cleaner energy sources, specifically natural gas, which significantly mitigates air pollution from power generation (compared to coal, the primary alternative in Israel), and solar energy, which reduces greenhouse gas emissions in the energy sector. The fund also invests in energy storage solutions, both in renewable energy projects and in pumped-storage systems, to curtail waste caused by surplus electricity generation and enable broader use of renewable energy throughout the day, not only during sunlight hours.

The Iron Swords war in 2023–2024 further underscored the critical need for energy continuity and independence in Israel, given the prolonged power outages in several communities and the ongoing threat to critical infrastructure such as gas reservoirs and power plants. This combination of urgent national need, government support, and technological advancement is expected to position the energy sector as a central focus for investment in the coming years, and reinforce the importance of diversifying Israel's sources of energy generation.

Through its activity in the energy sector, the fund contributes to enhancing Israel's energy security and independence, mitigating air pollution and greenhouse gas emissions, and bolstering the country's economic and social resilience.

Contribution to the Electricity Sector

	Energy generation (MWh)	Renewable energy generation[13] (MWh)	Renewable energy production capacity (MWh)
2021	5,245,638	341,552	64
2022	5,500,837	568,382	103
2023[14]	5,506,141	522,146	120
2024	5,578,594	1,006,056[15]	167
Growth % compared to base year	9.8%	194.6%	160.9%

13 Including hydroelectric energy production at the P.S.P. pumped Storage Facility.
14 The data underwent further validation in 2024 and were updated accordingly.
15 The increase stems from the full-year operation of the P.S.P. facility in 2024, compared to partial operation in previous years.

Environmental Services

The fund's environmental activity, carried out through BlueGen, covers a range of environmental domains, including water desalination, wastewater purification, and waste collection, recycling, and sorting, across the entire value chain.

In the water sector, the fund generates positive social impact by ensuring a continuous supply of water in Israel, a country exposed to significant water risks due to its geographic location. Desalination is a key mechanism for maintaining water security for the population, particularly in light of the growing risks posed by climate change across the region. Furthermore, the fund's activity in the field of water and wastewater purification considerably mitigates the risk of soil and water contamination from untreated sewage, which, in turn, may lead to serious environmental and public health hazards. The fund treats wastewater in accordance with advanced standards and regulatory requirements, and a substantial portion of the treated wastewater is repurposed, primarily for agricultural use.

BlueGen is currently in the early stages of planning, constructing, and operating a facility for the treatment of contaminated groundwater in the Ramat HaSharon Ta'as industrial zone, which contributes to curbing pollution and its spread. The treated water will be discharged into the Yarkon River as part of the Yarkon Rehabilitation Project, a nationally significant initiative supporting Israel's water system, improving quality of life for residents in the region, and contributing substantially to the restoration of regional water sources and the aquifer, while improving the surrounding ecosystem.

In the waste and recycling sector, the fund's efforts in sorting and categorizing waste by type enable reuse of raw materials and reduce reliance on landfill and virgin natural resources, maximizing the potential of repurposing waste materials. This activity helps mitigate the wide-ranging environmental impact of new production processes, eases pressure on existing landfills, and decreases the need to establish new ones. Furthermore, effective sorting and treatment of waste reduce environmental pollution, including soil and water contamination, odors, and greenhouse gas emissions, which can also pose public health risks.

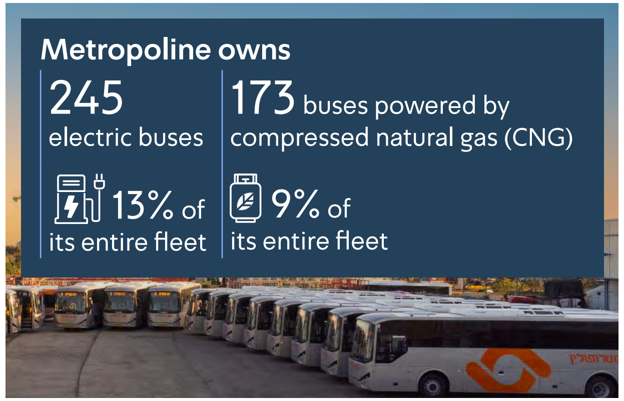
Contribution to the Economy

46.2 million cbm
Volume of treated wastewater

139.1 million cbm[16]
Volume of desalinated water

16 The desalination plant in Ashdod, in which the company holds approx. 50% stake, operated at partial capacity due to an upgrade carried out during the year.

bluegen owns
2 of the 6 major desalination facilities in Israel



Metropoline owns

245
electric buses

13% of
its entire fleet

173 buses powered by compressed natural gas (CNG)

9% of
its entire fleet

Reducing Air Pollution Across Portfolio Companies' Vehicle Fleets

In 2024, our portfolio companies made significant strides in reducing air pollution: Metropoline completed the replacement of its entire bus fleet in the Sharon region, now consisting of approx. 250 electric buses. It also inaugurated a new charging depot spanning approx. 5,000 sqm, enabling simultaneous charging of dozens of electric buses.

Fridenson-Generation has successfully completed the transition to 100% electric forklifts. This significant change reduces emissions from its fleet and promotes sustainable industrial practices. These efforts reflect both companies' ongoing commitment to mitigating environmental impacts and enhancing the quality of life in the communities where they operate, as well as for their employees.

Transportation

The fund's activity in the transportation sector in Israel focuses on public transportation and shuttling, through which it generates a significant positive impact on Israeli society - by fostering accessible and equitable mobility, reducing the environmental footprint of transportation systems, and improving quality of life for all residents. Metropoline is a public transit operator active under government concessions deployed in several regions (clusters) nationwide, including in geographically peripheral areas. Part of the fund's urban transit fleet consists of electric or natural gas-powered buses. By delivering advanced, high-quality public transportation services, the fund significantly improves access and accessibility to public transportation for the general population, particularly for lower socioeconomic communities. Additionally, the development and optimization of this sector are critical to alleviating road congestion, which continues to intensify due to Israel's growing population density. Mitigating congestion benefits the economy and society through reduced travel time, increased labor productivity, improved quality of life, more livable urban spaces, more efficient use of public space, reduced air pollution, lower greenhouse gas emissions from road transport, and fewer traffic-related accidents.

In 2024, the fund's public transportation company completed the establishment of two new regional clusters, in which the share of electric buses is higher than in existing clusters. Expanding the use of electric public transport further enhances the company's contribution to reducing urban air pollution and moderating the impact of transportation on climate change.

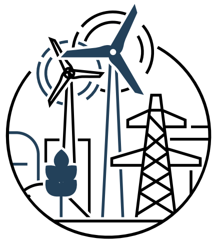
Reduction of Pollutant Emissions

Year	Total pollutant emissions (tons)	Distance travelled (in 1,000 km)	Emission intensity (tons per 1,000 km)
2023	144.4	87,714	0.00165
2024	161.3	109,456	0.00147

Responsible Investment Policy

Guiding ESG Principles

To advance an effective ESG policy, the fund decided to focus its endeavors on nine guiding principles, three in each of the ESG components – environmental, social and corporate governance. These nine guiding principles incorporate substantive issues for the fund in managing its ESG investments, and reflect its commitment to fostering a sustainable investment policy across its portfolio, taking into account the associated risks and opportunities. The guiding principles enable the fund to manage its responsible investment policy in a cross-portfolio manner, while also allowing the flexibility to consider the unique characteristics and circumstances of each investment.



Environmental

Protecting the Environment

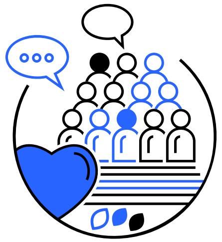
Active management aimed at mitigating negative environmental impacts, such as air pollution, hazardous wastewater, and other ecological effects

Climate Risks

Ensuring the resilience and preparedness of assets in the face of climate change and developing resistance to its potential damages, to support long-term yield

Energy Consumption

Promoting energy efficiency across the portfolio companies



Social

Health, Safety and Wellbeing

Protecting the health, safety and wellbeing of employees and communities in which we operate

Diversity, Equity and Inclusion

Fostering an inclusive and diverse work environment, ensuring fair and rewarding employment, and respect for human rights

Community

Fostering strong relationships with stakeholders located near the fund's assets, including minimizing nuisances caused by their operations

Governance

Risk Management

The existence of sound corporate governance mechanisms that ensure robust and resilient risk management

Business Conduct

Adherence to ethical standards and business integrity

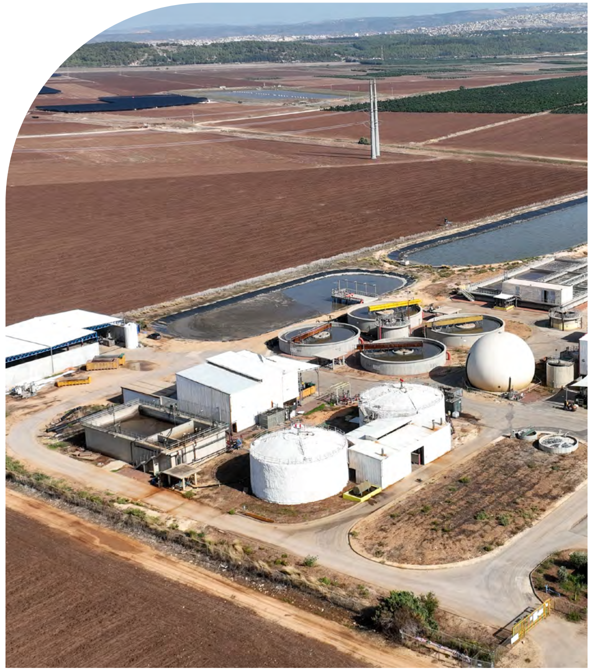
Cybersecurity

Implementing cybersecurity safeguards and ensuring data protection

ESG Governance

To implement the policy and monitor the portfolio companies' ESG activities, the fund's management appointed its Head of Investor Relations, Mr. Omri Stern, as the ESG-officer responsible for overseeing the integration and execution of the responsible investment policy. Mr. Stern is supported by the fund's General Counsel, who was also involved in drafting the Responsible Investment Policy. This collaboration between the Head of Investor Relations and the General Counsel brings valuable perspectives to the process - business-oriented on one hand, and regulatory-governmental on the other.

Furthermore, at the fund's request, senior officials were appointed at each of the portfolio companies to coordinate the ESG matters within the company. These individuals are responsible for maintaining professional communication on ESG issues with the fund and for leading the internal processes required to advance ESG-related activities. As part of the policy implementation, these officers received professional guidance, particularly with regard to the reporting of ESG performance data to the fund for the purpose of the ESG evaluation process conducted across portfolio companies.



Evaluating ESG Performance Across Portfolio Companies

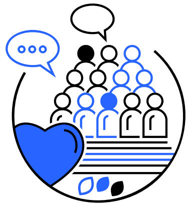
For the past few years, the fund has been using a proprietary tool to measure ESG performance across its portfolio companies. This tool was developed in alignment with the fund's ESG policy and requires portfolio companies to report in a focused manner on their policies, management practices, and performance in various ESG domains, in line with the nine guiding principles set forth by the fund. The tool encompasses hundreds of qualitative and quantitative data points, based on advanced standards from leading ESG rating agencies, alongside material risks and opportunities relevant to both the fund and its investments. The tool gathers material information from the companies, which is tailored to their particular size and business activity.

The purpose of the evaluation process is to enable effective ESG management within the portfolio and establish a consistent and relevant management system for the companies, while setting measurable multi-year targets for performance improvement. The fund conducts an annual ESG performance evaluation for each company, out of a desire to witness a gradual improvement in ESG management and maximizing the integration of responsible investment principles into day-to-day operations, in accordance with relevant business considerations.

Summary of the Evaluation Process Results for the Years 2022-2024[17]:

Based on the results of the 2024 ESG performance measurement model for the portfolio companies, all companies either improved or maintained their overall score compared to 2023. Most companies (4 out of 5) demonstrated a significant improvement in environmental performance.The fund's weighted score, reflecting the estimated activity of its portfolio companies[18], increased or remained stable across all areas and subcategories. The table below presents the change in scores for each company by thematic category in 2024 compared to 2023[19].

2024 compared to 2023

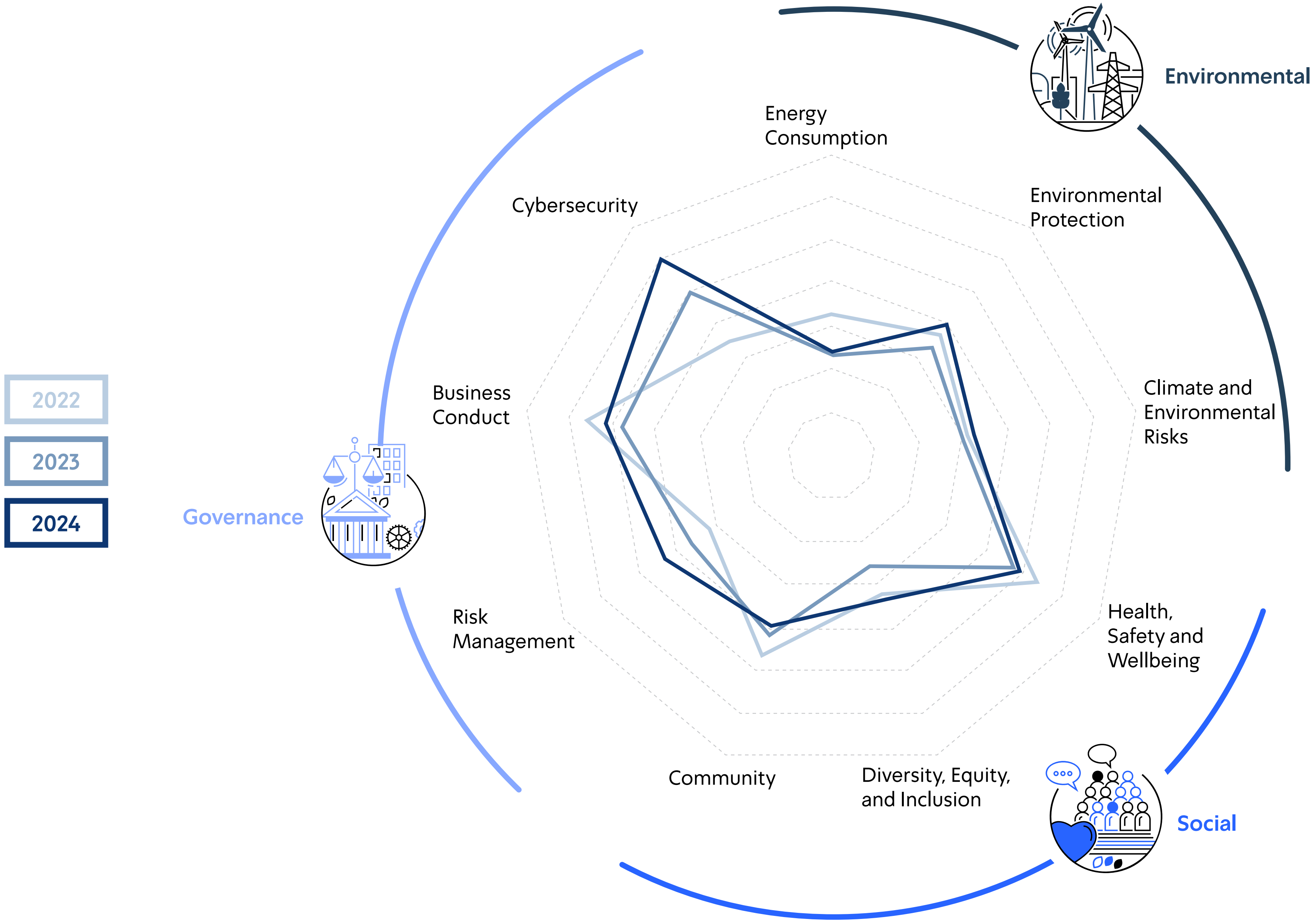
		BlueGen	Bon Tour	Metropoline	Gas Distribution	Fridenson-Generation	Fund's Weighted Score
	Energy Consumption	=	△	▽	△	△	=
	Environmental Protection	=	=	△	△	△	△
	Climate and Environmental Risks	=	△	=	△	▽	△
	Environmental Doamin	=	▲	▲	▲	▲	▲
	Health, Safety and Wellbeing	=	△	△	△	=	=
	Diversity, Equity, and Inclusion	=	△	△	=	▽	△
	Community	▽	=	=	▽	=	=
	Social Domain	=	=	▲	=	▼	▲
	Risk Management	△	=	△	▽	=	△
	Business Conduct	△	△	=	=	▽	△
	Cybersecurity	△	=	△	▽	△	△
	Corporate Governance Domain	▲	=	▲	▼	=	▲
	Overall Score	=	▲	▲	=	=	▲

17 The weighted score does not include PowerGen, whose measurement commenced only in 2024; The measurement also excludes the foreign companies Porterbrook and Greenway, which lead in various ESG domains in accordance with European standards.

18 The weighted score estimating the activity of the fund's portfolio companies was calculated based on the relative fair value of the companies included in the evaluation.

19 A change exceeding ±2% in a company's score year-over-year was defined as an increase or decrease. Smaller changes were marked as "=". In 2024, PowerGen completed the ESG performance assessment questionnaires for the first time and is therefore not included in this table.

Changes to the Fund's Weighted Scores Over the Past Three Years:



New Investment Assessment

As part of the policy implementation process, the fund integrates a dedicated ESG risk and opportunity assessment into its new investment evaluation procedures. This assessment is conducted alongside the standard due diligence process for each prospective investment and is guided by responsible investment principles that support long-term economic value creation.

The fund's investment review process includes an initial screening for compliance with minimum ESG threshold requirements, aimed at determining whether the investment contributes to positive environmental and/or social outcomes and whether it adheres to accepted standards of ethics and corporate governance. Where significant environmental issues are identified, the fund evaluates the need to engage professional advisors to conduct the necessary assessments as part of the investment due diligence process.

The findings from these preliminary evaluations allow the fund to incorporate ESG risks and opportunities into its investment deliberations. When a decision is made to proceed with an investment, the assessment enables the fund to define the processes and changes that must be implemented post-investment in order to enhance ESG risk management and capitalize on ESG-related opportunities.

Continued Policy Implementation

The fund intends to continue establishing the infrastructure for effective ESG management across its portfolio companies and further embedding ESG considerations into the day-to-day management of their business activities.

The fund has set out to encourage portfolio companies to establish measurable targets for improving their ESG performance within their annual work plans. Accordingly, it requires that, as part of the approval process for each company's annual plan and summary, portfolio companies present a substantive overview of ESG matters. The fund encourages the boards of directors and executive teams of its portfolio companies to hold discussions pertaining to ESG management and actively address specific initiatives and actions that may enhance the social and environmental value of their ongoing operations.

The fund actively engages with both local and international ESG rating agencies, viewing this process as an additional layer for enhancing oversight and control over the implementation of its policy. It intends to continue reporting to these agencies in the coming years. In 2022, the fund was included in both local and international ESG indices and has since been rated annually by S&P Global and Israel-based GreenEye.

During 2025, Generation developed a unique interactive platform for monitoring and analyzing the sustainability performance of its portfolio companies. The monitoring system aggregates historical and current data, enabling the identification of underlying trends, performance analysis over time, and the generation of strategic insights. The platform constitutes a central pillar in bolstering the fund's management capabilities, supporting data-based decision-making, and assisting in driving the portfolio companies toward continuous improvement in ESG metrics. Through the platform, the fund's management and board of directors enhance their ability to proactively manage sustainability across the portfolio and ensure long-term positive impact.

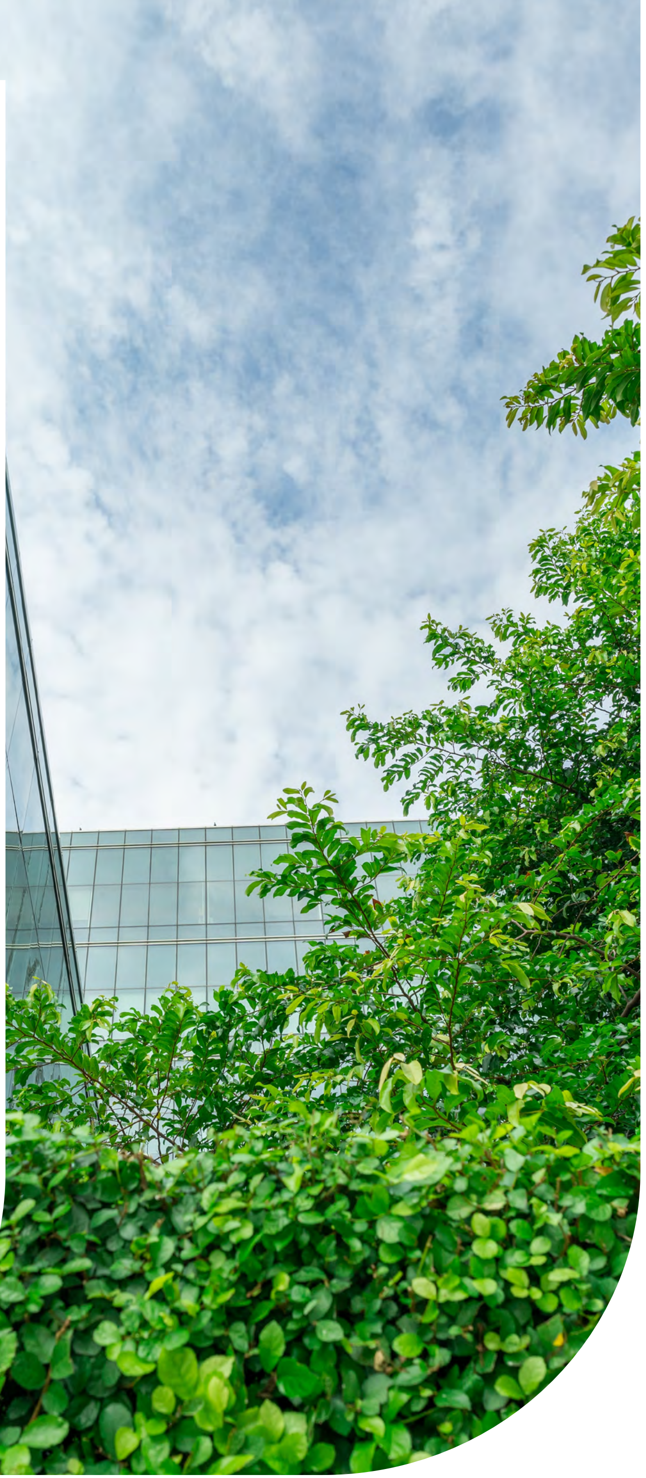
generation

04
ESG at Generation

Given the significance the fund places on incorporating ESG considerations into its investments and the operations of its portfolio companies, it also works to promote its own performance in the environmental, social, and corporate governance domains. The fund greatly values adherence to high standards of ESG practices and continuously works to improve its internal performance where needed.

Environmental

The fund strives to mitigate its environmental impact and, as part of its commitment to environmental and climate principles, adheres to a “green office” policy in its day-to-day headquarters operations. This includes, among other measures, avoiding the use of disposable products in routine office activity; recycling office paper waste; using water-saving devices and systems to reduce and optimize water consumption; and operating a centralized electricity shut-off system in the fund’s offices to curtail energy consumption.



Carbon Footprint

Climate change is widely regarded as the most critical global challenge of the 21st century. The forecasts surrounding global warming demand bold and innovative action from the business sector. The primary contributor to global warming is greenhouse gas (GHG) emissions, generated by human industrial and economic activity, and significantly affected by business operations in the infrastructure and energy domains.

Carbon Footprint is a metric that reflects the amount of GHG emitted as a result of an organization’s activities and serves as the primary tool for measuring its impact on the climate crisis. For several years, the fund has been tracking both its direct and indirect carbon footprint, alongside the emissions reported by key portfolio companies. When needed, the fund assists portfolio companies in calculating their carbon footprint. All calculations follow the globally recognized GHG Protocol standard.

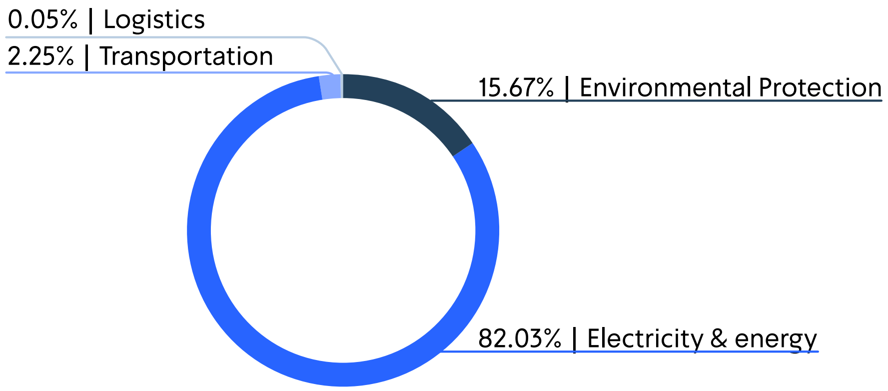
As part of its commitment to transparency toward stakeholders, the fund decided to align with leading global investment funds, and to measure and report its full carbon footprint across the following scopes.

Scope 1	Direct emissions
Scope 2	Indirect emissions stemming from energy consumption
Scope 3	Upstream and downstream emissions along the value chain, including emissions from supply chain processes, product use, distribution, and end-of-life stages. Within this framework, the most material component of the fund’s emissions stems from its investment activities (Category 15). Hence, the fund has prioritized the measurement and management of this category. The measurement was conducted using the PCAF (Partnership for Carbon Accounting Financials) standard, based on its methodology for calculating GHG emissions associated with asset management

The Carbon Footprint by Year:

Year of Activity	Scope 1 Emissions (t CO_2e)	Scope 2 Emissions (t CO_2e)	Scope 3 Emissions Scope 1 + Scope 2 Emissions in investment portfolio[20] (t CO_2e)	Data quality score for calculating financial emissions[21]	Emission Intensity (NIS millions in fair value of portfolio assets)
2022	32	15	457,512	5	241.94
2023	30	58	462,632	3.57	244.65
2024	22	61	462,653	3.05	265.48[22]

The fund's financial carbon footprint (Scope 3) in 2024, segmented according to field of operation:



20 Generation Fund's financial emissions are calculated based on its ownership share in the portfolio companies and their respective emission levels, in accordance with the PCAF protocol under the Unlisted Equity and Corporate Loan category.

21 The data quality score was calculated according to the PCAF protocol under the Listed Equity and Corporate Bonds and Business Loans and Unlisted Equity categories. As per the PCAF standard methodology, the data quality score is determined on a scale of 1 to 5, where a score of 1 represents the highest level of quality, indicating the use of accurate and verified financial and emissions data. The final score presented is a weighted average of all the fund's portfolio companies, based on the fair value of the Fund's holdings as of year-end. The data quality score refers exclusively to Scope 1 and Scope 2 emissions of the portfolio companies.

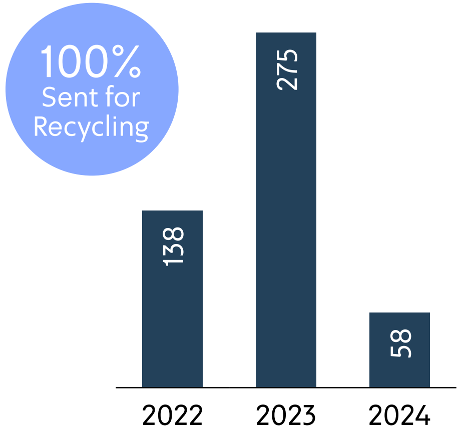
22 The increase in emission intensity, despite a stable nominal volume of emissions, is attributable to changes in the composition of the investment portfolio.

Use of Materials

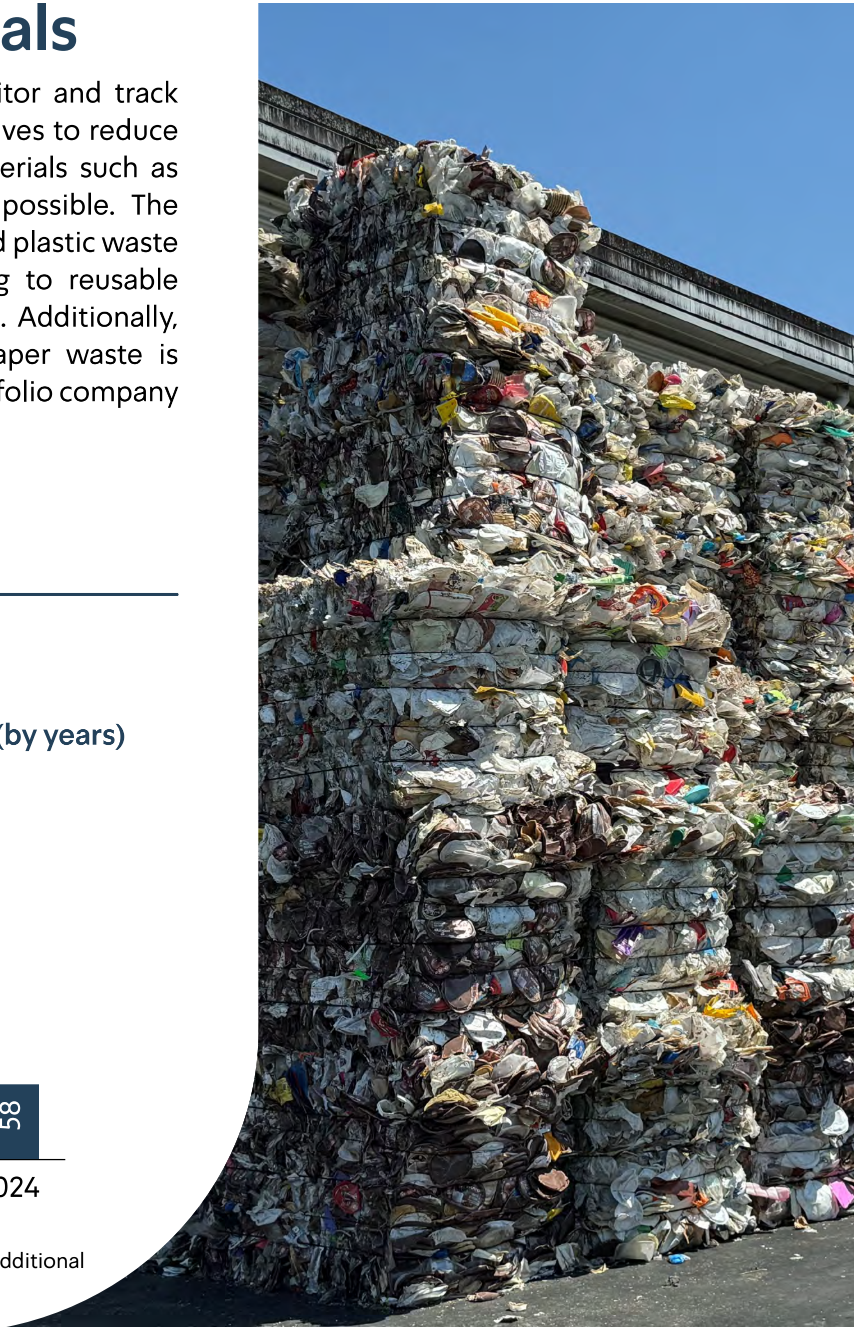
Alongside its efforts to monitor and track carbon footprint, the fund strives to reduce and optimize the use of materials such as paper and plastic wherever possible. The fund has effectively eliminated plastic waste in its offices by transitioning to reusable tableware at its headquarters. Additionally, 100% of the fund's office paper waste is recycled through KMM, a portfolio company under BlueGen.

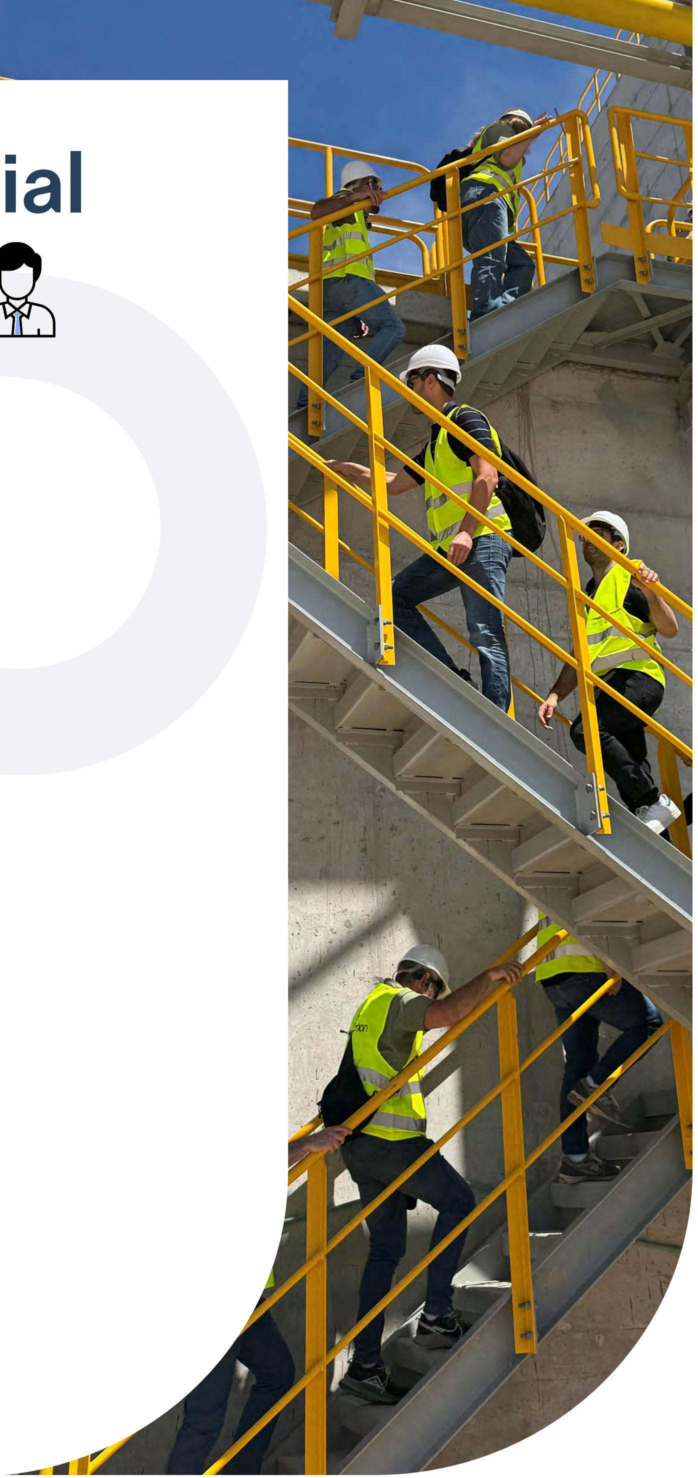
The Fund's Paper Consumption

Paper Consumption, in Kgs[23] (by years)



23 The 2022 and 2023 data underwent additional validation in 2024, were update accordingly and converted to Kgs.





Social

Staff Members

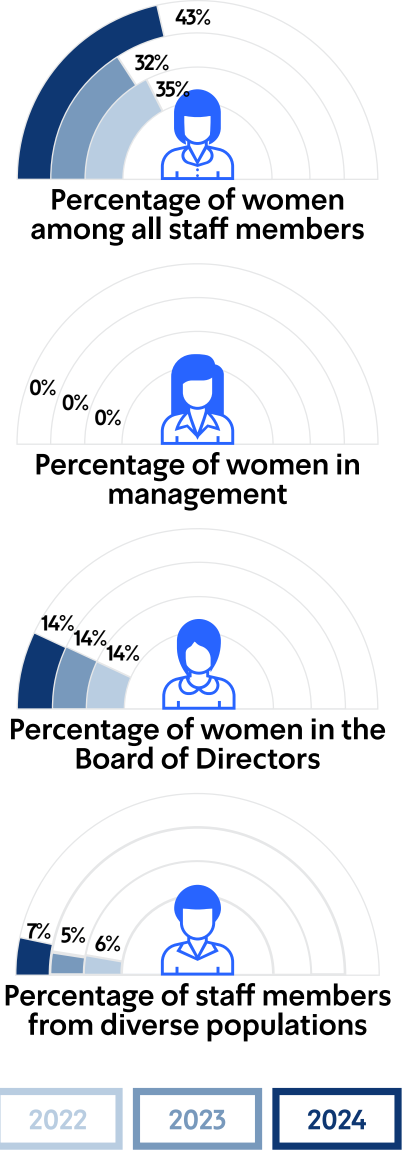
Recognizing that investing in human capital is a key factor in its business excellence, the fund strives to cultivate a professional and rewarding work environment, while maintaining a respectful and inclusive organizational culture for all its staff.

As of December 31, 2024, the fund employed 13 staff members. It places strong emphasis on their welfare, social benefits, and personal and professional development in accordance with their prospective roles. The fund provides a high-quality physical work environment to support job performance, along with a broad social benefits package that includes, among other things, quarterly employee engagement events; periodic gifts (e.g., for holidays and special occasions); private health insurance coverage; benefits for active reservists; tailored nutrition options; and more. The fund ensures equal treatment for all staff, regardless of gender, ethnicity, sexual orientation, or any other status.

It also operates to ensure fair and respectful employment practices among outsourced personnel providing services to the fund, including the cleaning firm personnel, who are employed at above minimum wage and receive appropriate social benefits.

Since its inception, the fund has not been subject to employee claims in labor court, nor has it faced regulatory sanctions pertaining to labor relations or employee rights.

Gender Diversity in the Management Company



Employee Turnover and Absences at the Management Company in 2024

Employee Turnover	2023	2024
No. of New Employees	2	2
No. of vacancies filled	2	2
No. of Employees who left the fund (resignations, terminations, retirements, etc.)	3	6[24]
No. of Employees who resigned from the fund	3	3

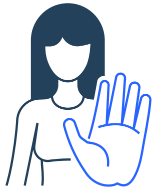
Absence Days	2023	2024
Total No. of Workdays (no. of workdays x no. of employees)	4,278	3,232
Reserve Duty Days	~170	~250
Percentage of Reservists	20%	29%

No. of Absence Days (excluding reserve duty days)

277 No. of Absence Days in 2023

199 No. of Absence Days in 2024
women 117 | men 82

24 Including 3 employees who transitioned from direct employment by the fund to direct employment by its subsidiaries.



Preventing Harassment and Workplace Misconduct

The fund is committed to ensuring a respectful and safe work environment for all its employees. It has detailed procedures for the prevention of sexual harassment and workplace misconduct.

In accordance with these procedures, the fund appointed a designated officer to oversee issues of sexual harassment and workplace misconduct. Contact details for the designated officer are communicated to all employees annually.

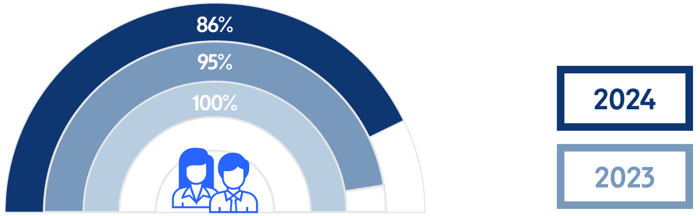
Additionally, 100% of our staff members have completed dedicated training focused on the prevention of harassment and workplace misconduct. To the best knowledge of the fund, during 2024 there were no incidents of harassment, discrimination or workplace misconduct, and no complaints on the subject were recorded on the part of staff members.

Supporting Communities

As an organization rooted in Israeli society, whose core business focus is on the economic development of advanced infrastructure for the benefit of the public, the fund places high importance on community involvement and contribution.

In 2024, the fund continued its commitment and donated NIS 140,000 to nonprofit organizations focused on assisting underserved populations and integrating youth with special needs. For the third consecutive year, the fund supported the "Special in Uniform" initiative of the "Lend a Hand to a Special Child" association, which provides comprehensive support and resources for individuals with special needs and their families. As in previous years, the fund adopted several soldiers with special needs, accompanied them during their enlistment process, and hosted them at its offices for traditional holiday gatherings.

Additionally, in 2024, the fund made its debut contribution to the "Orr Shalom" association, an organization dedicated to offering protection, support, and a safe haven for at-risk children and youth removed from their homes.

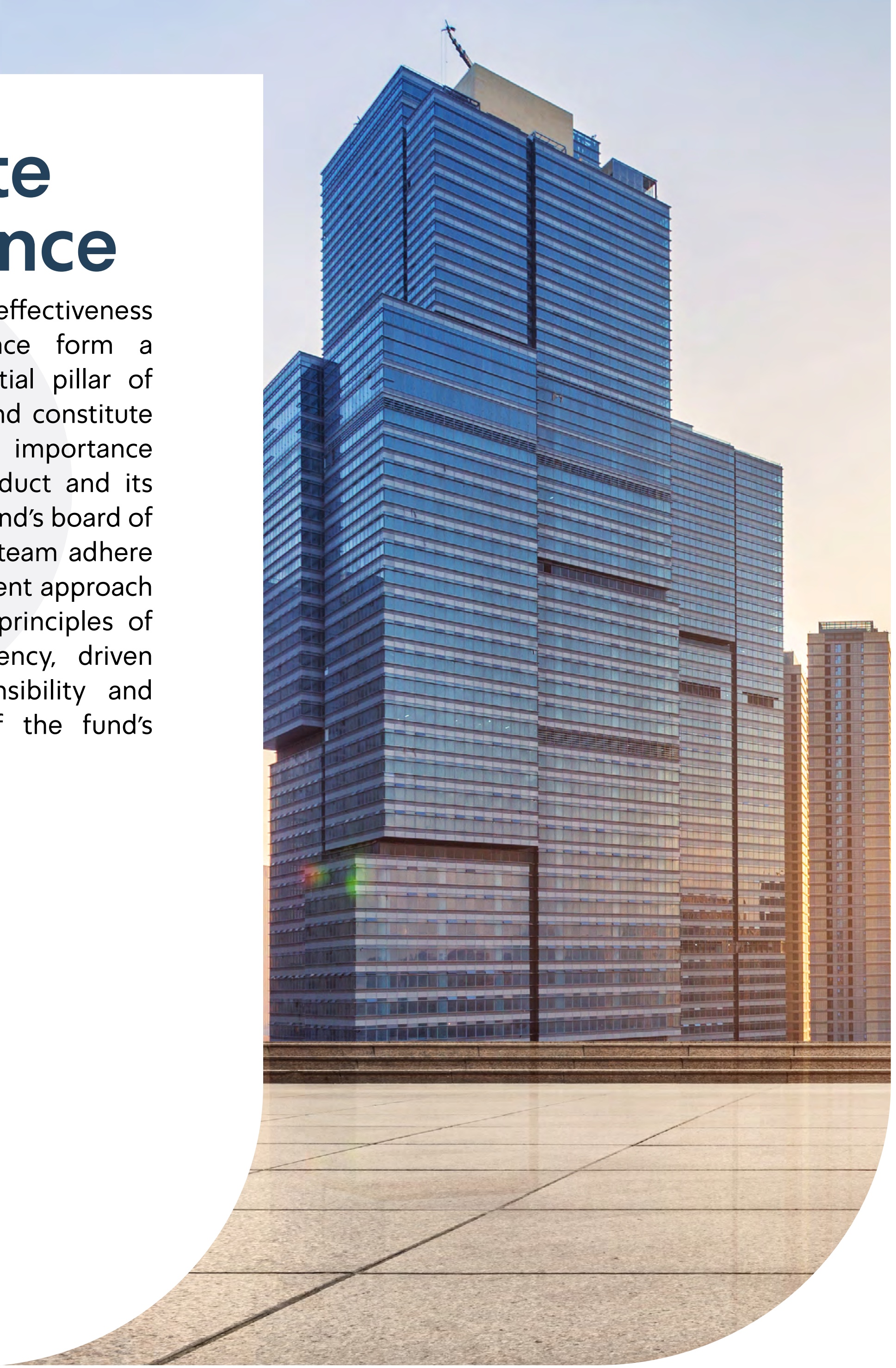


Percentage of employees who participated in the fund's volunteering activities

40 Total amount of volunteering hours on behalf of the fund in 2022	2.35 Annual average of volunteering hours by each fund employee in 2022
10 Total amount of volunteering hours on behalf of the fund in 2023	0.53 Annual average of volunteering hours by each fund employee in 2022
10 Total amount of volunteering hours on behalf of the fund in 2024	0.71 Annual average of volunteering hours by each fund employee in 2022

Corporate Governance

The integrity and effectiveness of corporate governance form a fundamental and essential pillar of the fund's operations, and constitute a matter of particular importance in both its internal conduct and its investment policy. The fund's board of directors and executive team adhere to a proactive management approach and are committed to principles of oversight and transparency, driven by a sense of responsibility and accountability to all of the fund's stakeholders.



The board is independent and must be composed of a majority of external directors

Board of Directors

The fund's board of directors is the governing organ responsible for setting the fund's strategy and defining its policy. It oversees and monitors the management team and management company's staff members. The board operates according to the highest standards of corporate governance, including the adoption and routine implementation of voluntary best practices.

The fund's board consists of 7 appointed directors. Mr. Josheph Singer serves as the active Chairman of the Board. He previously held senior executive roles, including Chairman and CEO of leading public and private infrastructure and energy companies in Israel. Mr. Erez Balasha, who serves as the fund's CEO, previously held senior management positions in Israel's energy, environment, water, and transportation sectors.

In accordance with the fund's bylaws, the board is independent and must be composed of a majority of external directors. Accordingly, 4 members of the board are external directors, elected at the general assembly in accordance with the provisions of the Israeli Companies Law, for 3-year terms. This figure is double the legal minimum required under the Companies Law, reflecting the fund's emphasis on board independence and its commitment to safeguarding the rights and interests of all shareholders equally.

The fund operates without a controlling core shareholder, and therefore places particular importance on advancing the interests of all public shareholders and addressing the long-term expectations of the public, which is represented on the board by the external directors.

Board members, areas of expertise in ESG and seniority:

Joseph Singer | Active Chairman of the Board A professional with expertise and managerial experience in environmental quality and renewable energy, as well as in public companies operating in a highly regulated corporate governance ecosystem	15.5.2018 Start of Term
Erez Balasha | Director and CEO A professional with expertise and managerial experience in environmental quality, infrastructure and renewable energy	15.5.2018 Start of Term
Harel Beit-On | Director A professional with extensive expertise and experience in the establishment, management and investment in public traded companies operating in a highly regulated corporate governance ecosystem	27.5.2018 Start of Term
Asher Grinbaum | External Director Audit Committee, Compensation Committee, and Balance Sheet Committee Possesses extensive experience in the environmental protection domain, and previously served as Chair of the Environmental Protection Committee of the Manufacturers Association of Israel	7.5.2019 Start of Term
David Baruch | External Director Audit Committee, Compensation Committee, and Balance Sheet Committee Currently serves as a board member at Social Finance Israel, a nonprofit organization specializing in the issuance of performance-based social impact bonds	7.5.2019 Start of Term
Yuval Bronstein | External Director Audit Committee, Compensation Committee, and Balance Sheet Committee Possesses expertise and managerial experience in environmental quality and infrastructure through his previous roles	7.5.2019 Start of Term
Anat Keinan | External Director Audit Committee, Compensation Committee, and Balance Sheet Committee	7.5.2019 Start of Term
Yitzhak Avidor[25] | Alternate Director	27.5.2018 Start of Term

25 Mr. Yitzhak Avidor serves as an Alternate Director to Harel Beit-On.

As part of the robust corporate governance principles the fund adheres to, its board of directors approved the "Working Regulations for the Board of Directors and Committees." These procedures regulate the day-to-day conduct of the fund's board of directors and its subcommittees, to ensure the efficiency and effectiveness of their activities and decision-making processes. The procedure addresses a variety of topics, including: the onboarding process for new directors; the process for convening board meetings and setting the agenda; the preparation and retention of meeting minutes; follow-up on the implementation of board resolutions; and protocols for maintaining confidentiality and handling information. The procedures also include a dedicated section on conflicts of interest (see further details under the "Ethics" section of this chapter).

Among other things, to preserve board's effectiveness and independence, it is stipulated that any board member may raise topics for discussion, and that a meeting of the board may be convened at the request of any two directors, on any matter. Furthermore, a minimum lead time for distributing meeting materials has been set, to ensure directors have sufficient time to prepare effectively.

The fund's board also operates through several board-appointed committees, composed of its serving members. The authority of the Audit Committee is defined in the board's procedural guidelines and is subject to applicable laws. Among its responsibilities, the audit committee oversees the integrity of the fund's business conduct and guides the work of the internal auditor. It reviews internal audit reports, identifies deficiencies in the company's operations, and is responsible for instructing the company to implement corrective measures in accordance with the auditor's recommendations.

In addition, the board has established a Compensation Committee and a Balance Sheet Committee, in accordance with corporate governance regulations. The compensation committee is responsible for determining the fund's compensation policy for its officeholders. This includes setting compensation principles for the management company (in line with its management agreement with the fund), board members, and fund executives (such as the Chairperson, CEO, and executives reporting to the CEO), even though their salaries are paid by the management company, not the fund itself. The committee also monitors implementation of the compensation policy, recommends updates where needed, and approves the compensation of the Chairperson and CEO.

The balance sheet committee is responsible for reviewing the fund's financial statements. This includes examining the valuation assessments of the fund's assets (i.e., its portfolio companies), the overall valuation policy, and holding discussions with the external auditors regarding their reappointment (a responsibility delegated to it by the Audit Committee). The committee subsequently recommends the approval of the financial statements to the board, once it has verified that they adequately reflect the fund's financial standing and that effective internal control mechanisms are in place. It also advises the board on the appointment of the fund's external auditors. All four of the fund's external directors serve on the Audit, Compensation, and Balance Sheet Committees.

To enhance governance and streamline the board's work, the board has formalized the key matters it is required to review in its procedural policy, along with their expected frequency. The procedure also defines materiality thresholds for issues that must be brought before the board for discussion and approval prior to execution. These include, among others: Definitions of material transactions or events (based on financial thresholds or changes to legal structure) involving portfolio companies that require board approval or notification; establishing business partnerships; and issuing securities by the fund.

The fund's board of directors maintains its professionalism on an ongoing basis, engaging in in-depth discussions on relevant professional and business matters during its meetings, supported by expert advisors. To further enhance the board's effectiveness, the chairman of the board conducts annual one-on-one meetings with all board members to gather feedback and collect suggestions for improvement. Additionally, the audit committee holds an annual independent session, attended by the fund's external auditor and internal auditor, without representatives of the management company, in which they discuss operational efficiency, key deficiencies, and overarching insights that need addressing.

Pursuant to the established procedures, the fund's board of directors convenes as needed, and no less than every three months.

Year	Meetings of the Board Plenary	Attendance	Meetings of the Board Committees	Attendance
2022	15	91%	4	100%
2023	16	91%	7	86%[26]
2024	9	95%	8	94%

% Average Attendance of Directors

26 The figure underwent additional validation in 2024 and was updated accordingly.

Management of the Fund

The fund's management comprises seasoned senior executives with deep business acumen in the energy and infrastructure sectors, and unique expertise in company analysis and valuation, as well as projects and corporate funding.

Erez Balasha
CEO
15.5.2018 Start of Term

Joseph Singer
Active Chairman of the Board
15.5.2018 Start of Term

Baruch Saute
General Counsel and Corporate Secretary
1.12.2020 Start of Term

Eliav Pollack
Chief Investment Officer
1.7.2024 Start of Term

Itay Peled
Chief Financial Officer
1.1.2023 Start of Term

The fund's management is responsible for executing the day-to-day business operations and implementing the strategy set forth by the board of directors. It is also obligated to provide regular reports to the board on its activities in managing the portfolio investment assets, in accordance with the materiality threshold defined in the board's relevant operating procedures.

Risk Management

The fund is committed to managing its business and financial risks responsibly and effectively, and it operates accordingly to demarcate the risk set by its investment policy. The fund's primary financial and strategic risk is investment risk and its related exposures. This risk is addressed through an investment policy that reflects a conservative risk appetite and a robust approach to ongoing risk management.

The fund's investment policy is approved from time to time by the board of directors and includes a detailed policy pertaining to diversification of investments and the level of leverage, constituting the two main measures of monitoring and managing the fund's business and financial risks.

The fund's diversification policy mandates that investments be allocated across different infrastructure segments and sets targets along four key dimensions:

01 Asset Maturity

Creating a mix of assets that combine a dominant component of operational and income-generating assets and businesses, alongside a portion of assets under construction and development.

02 Asset Type

Creating a portfolio based on a dominant investment in project companies (based on infrastructure licenses or concessions), platform companies (which consolidate multiple project companies), alongside investments in operations & maintenance companies and other infrastructure-related corporations.

03 Asset Risk Profile

Creating a mix based on long-term contracts with stable features (such as concession agreements or regulatory frameworks) with high-quality counterparties, typically governmental or public-sector clients, to minimize exposure and revenue volatility.

04 Limited Exposure to Projects or Sub-sectors

A principle stating that the fund's maximum exposure to any single infrastructure asset shall not exceed 20% of its total assets, and that no more than 25% of the portfolio may be allocated to a single sub-sector.

All these are complemented by the fund's leverage policy, which stipulates that the net financial debt at the fund level (stand-alone) shall not exceed 45% of its total assets[27].

27 As of December 31, 2024, the fund's net financial debt ratio at the fund level (stand-alone) amounted to 40.8% of its total assets.

The fund routinely monitors its standing and that of its investment portfolio regarding diversification objectives, exposure limitations and leverage, while ensuring that all required thresholds for each of the criteria are met at any given time. The fund reports to the public about its level of exposure in its annual report, and it consistently meets the targets it has set, maintaining prudent safety margins. Accordingly, all prospective investments are reviewed through a risk management lens and assessed for alignment with the fund's diversification and leverage targets as part of the due diligence process. Due diligence of new investments includes in-depth reviews of legal, accounting, tax, technical, and insurance aspects, to verify investment quality and mitigate risks. The fund also conducts periodic assessments of macroeconomic and sector-specific risk factors, as well as the unique risks to which it is exposed through its operations. These risks are analyzed and classified according to their estimated impact (low, medium, or high). The fund's risk assessments are forward-looking, in line with the definition under the Israeli Securities Law, and are based on forecasts informed by current capital market trends, Israel's macroeconomic conditions, and anticipated developments in the infrastructure sector. The fund's annual reports also include a detailed evaluation of the relative risk profile of each individual portfolio company.

Risk management oversight is assigned to the fund's Chief Financial Officer, who reports regularly to the fund's executive management and Board of Directors regarding adherence to the diversification policy.

As part of its investment development strategy, the fund promotes comprehensive and professional risk management procedures across its portfolio companies. These companies are expected to conduct market reviews, economic analyses, and risk assessments of their respective business environments as part of the approval process for annual business plans and budgets. The fund also supports the development of business continuity and disaster recovery plans as further risk management tools.

The fund's board of directors holds regular professional discussions pertaining to material risk exposures of each portfolio company and ensures that risk analysis and management processes are appropriately conducted. At minimum, such discussions take place during the review and approval of each company's annual business plan and budget, with additional follow-ups as needed.

The fund's leverage (stand-alone) shall not exceed 45% of its total assets[27]

The Fund's Compensation Policy

At the beginning of 2024, the fund has revised the management agreement between the fund and its management company and approved a compensation policy designed to align the economic interests of the fund's investors with those of the management company. The policy also establishes a direct and strong link between the return derived by the shareholders and all compensation components of the management company. This initiative is intended to support the fund's long-term objectives as a publicly traded investment vehicle focused on infrastructure and energy, through several key steps:

- A complete decoupling between the ongoing compensation to which the management company is entitled to, and the value of assets under its management (AUM), resulting in a significant reduction in the fund's total management fees.
- Generating a linkage between the management company's variable compensation and the performance of the share price.
- Creating long-term incentives for the management company, which are also linked to the performance of the share price.

Monthly Compensation Data of Fund's Management Company's Executives:

3.45
Gender-based salary gaps (Men-Women)

2.95
CEO-to-staff members salary ratio

Internal Audit at the Fund

As part of its commitment to sound corporate governance and ensuring integrity and efficiency, the fund's board of directors has appointed an internal auditor who reports directly to the Audit Committee on behalf of the board. The internal auditor supports the board in effectively overseeing risk management across the fund, in accordance with the annual audit plan approved by the board, which is based on a risk survey conducted every few years. In recent years, the internal auditor has reviewed several issues, including ESG-related topics, such as environmental practices; the allocation of expenses between the fund and the management company; an evaluation of corporate governance, including the conduct of the board and its committees; oversight of portfolio company assets; data protection and cybersecurity within the fund and its portfolio companies. The internal auditor is not entitled to hold shares or stock options in the fund.

Interfaces with Portfolio Companies

The fund's investment strategy is grounded in active involvement aimed at enhancing and developing its portfolio companies. With a strong emphasis on value creation and business entrepreneurship, the fund strives to deliver returns that go beyond mere financial investment. In 2024, the fund marked a significant milestone in establishing a structured management backbone for its investment domains with the launch of PowerGen, which consolidates its activities in electricity generation, storage, and supply. In parallel, the Fund continued to expand its environmental operations under BlueGen, one of Israel's leading companies in initiating, constructing, and operating water, wastewater, and waste treatment projects across the entire value chain. It also continued to scale its transportation platform under Bon Tour, with growth in both shuttle and public transit services. As part of its active management approach, the fund's CEO serves as chair of the boards of its major platforms, and other members of the management team act as directors in the portfolio companies. Communication with these companies is structured and coordinated, with regular engagement between corresponding functions in the Fund and the portfolio companies. This includes recurring board meetings, executive working groups, and other committees, tailored to the needs of each platform and designed to maintain strong and continuous collaboration.

The fund's investment agreements incorporate the portfolio companies' commitment to withstand high standards of sound and effective corporate governance, including the appointment of an independent auditor from one of the large global firms (the Big-4), and an internal auditor, even if they are not required to do so by law. Internal audit functions are currently in place across the Fund's key portfolio companies, including BlueGen, Bon Tour, Metropoline, PowerGen, the gas distribution companies, and Fridenson-Generation. The Fund further requires these companies to maintain consistent and transparent reporting aligned with their internal Securities Law compliance programs (see more in the Ethics section). These compliance programs clearly define which matters must be reported to and approved by fund management, and they form the foundation for structured professional and business communication with the portfolio companies. In accordance with these expectations, the fund ensures that in all of its interactions with its investments and portfolio companies, the rights of shareholders and business partners are protected through a fair, responsible and respectful conduct.

The fund strives to maintain a productive dialogue with all its business partners, with a goal of fully realizing the potential of its portfolio companies and driving meaningful long-term achievements. Leveraging its extensive expertise in infrastructure asset development, the fund operates in close partnership with the existing management teams of its investments, providing a platform for growth, operational enhancement, and the creation of long-term business value and profitability. By consolidating investments under dedicated platform companies, the fund enables the initiation and advancement of business development initiatives across its portfolio. These efforts are led by the boards and executive teams of the companies, preserving their independence on the one hand, while benefiting from the scale, experience, and strategic advantages the fund brings on the other.

Transparency and Communication with the Capital Market

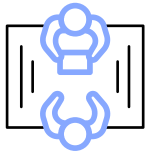
The fund adheres to principles of thorough documentation and transparency in the management of its business and investments, meeting the requirements of regulators and the expectations of its stakeholders regarding information accessibility. It ensures proper reporting to its investors in accordance with Securities Laws and the directives of the Israel Securities Authority, implementing its internal compliance program based on these regulations. The fund is committed to reliable and consistent reporting as required by law, providing all material business information needed to uphold fair and responsible conduct. Moreover, it often goes beyond the minimum reporting requirements by disclosing additional material information related to its business activities (including qualitative insights about the fund's operations and those of its portfolio companies, along with market research findings and relevant business data). Furthermore, the fund actively operates to make essential information accessible to its investors through various means, including: Ongoing shareholder reports on material transactions and events; a quarterly publication of a detailed board of director's report that includes key updates on the fund's activities in its portfolio companies; investor quarterly calls held shortly after the release of the annual and quarterly reports, featuring open discussions and Q&A sessions, accompanied by a published presentation; moreover, the fund holds investor conferences participated by representatives of the portfolio companies, and on-site tours of the fund's assets – for investors.

The fund reports all of its business activities to the capital market through all available digital channels. Its website serves as a central hub for all material business information relevant to its stakeholders.

Ethics

The fund is firmly committed to fair conduct, strict compliance with the law and adherence to rigorous ethical and business standards. It views its commitment as a vital cornerstone of its long-term success, and a key factor in the preservation of its strong, positive relationships with its stakeholders.

It shall be clarified that the fund fully and diligently complies with all applicable competition and antitrust laws, as well as any other relevant regulations. Since its inception, no regulatory sanctions have been imposed on the fund in connection with these matters. Furthermore, to the best of the fund's knowledge, no ethical breaches have occurred during its years of operation.



100% of the fund's employees have undergone an orientation on the Code upon joining and have signed the declaration

Code of Ethics

In November 2021, the fund adopted a binding Code of Ethics that regulates the activities of the fund and its management company. It is publicly available on the fund's website |

The Code of Ethics outlines a comprehensive framework for conduct and business practices, establishing the core principles that guide all fund employees. It addresses a broad range of issues, including: compliance with laws, rules, and regulations; prohibition of insider trading; fair competition and conduct; confidentiality; protection and proper use of fund assets; workplace non-discrimination; maintaining a safe and respectful work environment free from harassment and bullying; and prevention of fraud and embezzlement.

Each new employee is required to receive a full briefing on the Code, read it, and sign a declaration confirming their understanding of its contents and the fund's expectations. As of today, 100% of the fund's employees have undergone an orientation on the Code and have signed the declaration.

Additionally, the fund operates an anonymous reporting mechanism for violations, or suspected violations, of the Code. This mechanism includes the option to contact the CEO, the fund's legal counsel, or the company's independent internal auditor, who serves as an external and impartial contact point for anonymous reporting. The handling of complaints is governed by the Code, and all reports are kept confidential. Information on the reporting procedures is provided during the fund's ethics training, which is mandatory for all new employees. In 2024, no reports were received concerning violations or suspected violations of the Code of Ethics.

Policy for the Prevention of Conflict of Interest, Corruption and Bribery

The fund is firmly committed to the principles of good governance and legal compliance, and actively operates to prevent conflicts of interest among its employees and officeholders, as well as to eliminate corruption and bribery. As part of this commitment, the fund's board of directors has established procedures in its bylaws for the disclosure of personal interests, which include detailed reporting rules and strict limitations on the participation of interested parties in relevant discussions.

Furthermore, the fund has adopted a comprehensive anti-corruption and anti-bribery policy, binding on all employees and officeholders. This policy contains stringent guidelines for preventing corruption, aligned with the provisions of Israeli Criminal Law and accepted international standards[28]. It mandates immediate disclosure in cases of actual or potential conflicts of interest by fund employees, and requires strict abstention from any activity conducted while such a conflict exists or is suspected. The policy includes clear definitions of conduct considered corrupt, with specific rules relating to gifts, hospitality, travel, third parties, and business partners. To ensure compliance and raise awareness, all senior executives are required to sign a declaration affirming their commitment to the policy. To the best of the fund's knowledge, there have been no incidents of bribery, corruption, conflicts of interest, money laundering, embezzlement, or insider trading among its staff or activities since the fund's inception.

The fund places great emphasis on promoting transparency, integrity, and sound corporate governance, not only in its own operations, but also across its portfolio companies. It enforces strict procedures, encourages proactive reporting of irregularities, and maintains ongoing oversight of company conduct to ensure adherence to the highest ethical and governance standards.

In 2024, the gas distribution companies initiated legal proceedings in the Tel Aviv District Court against their former CEO, alleging breach of fiduciary duty and care, including the diversion of company funds for personal use and to third parties, in violation of company interests and causing significant financial harm. In October 2024, the former CEO filed a countersuit in the Regional Labor Court against these distribution companies. For further details, see Appendix E of the 2024 Annual and Periodic Report. Aside from this case, the fund is not aware of any incidents of bribery, corruption, conflicts of interest, money laundering, embezzlement, or insider trading within its portfolio companies.

28 Including specific reference to the provisions of : The United States Foreign Corrupt Practices Act of 1977 (the "FCPA"); The U.K. Bribery Act of 2010 (the "UKBA").

The Internal Compliance Program Regarding Securities Laws

In accordance with the ethical standards to which the fund is committed, it upholds strict transparency and reporting practices, and implements an internal enforcement program concerning Securities Law, which applies to all portfolio companies. This enforcement program includes, among other things, provisions related to reliable disclosure, as detailed in the fund's internal procedures for preventing securities fraud and manipulation, reporting under the Securities Law, information flow, the prevention of insider trading, and public disclosures. While the fund's guidelines are grounded in legal obligations, they also define a rigorous and structured reporting policy based on the materiality of information. The fund maintains an internal log and monitoring system for all disclosures. The fund's General Counsel and Corporate Secretary, Mr. Baruch Saute, is responsible for the implementation of the compliance program and all related procedures.

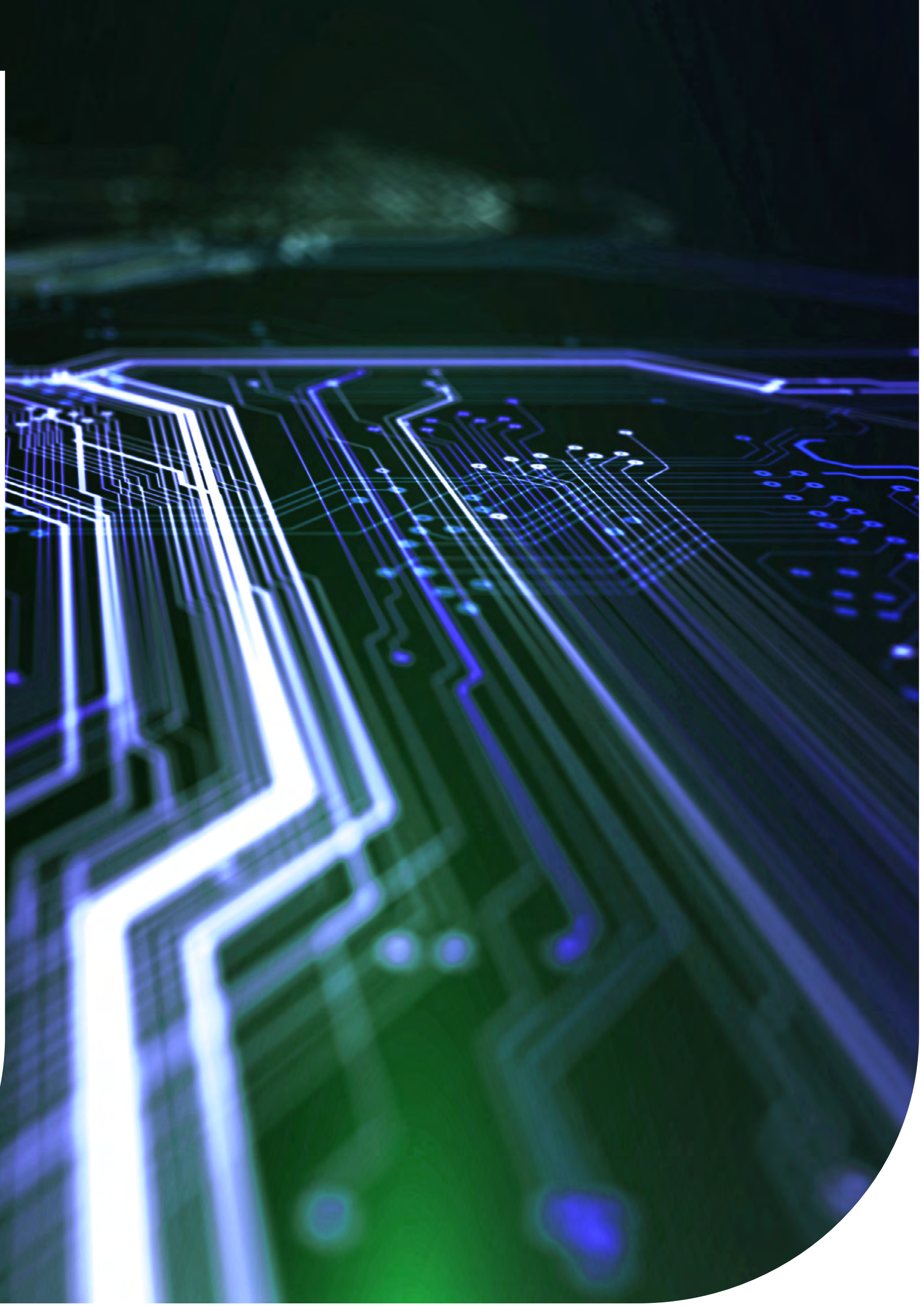
The Compliance program also outlines how internal reporting should flow from the portfolio companies to the fund, and establishes a materiality threshold based on clearly defined criteria, consistent with the legal definitions for reporting obligations to the capital market and the Israel Securities Authority.

Cybersecurity and Data Protection

The fund places high importance on implementing effective cybersecurity safeguards and maintaining proper data protection as part of its commitment to business integrity and operational efficiency. In line with this approach, all fund employees are required to adhere to the fund's information security policy. The policy aims to ensure the confidentiality and integrity of data while maintaining continuity of the company's business operations. The policy addresses various issues, including information security in digital systems and physical environments, handling cybersecurity incidents, mechanisms for reporting suspected breaches, monitoring and threat detection procedures, employee responsibilities regarding data security, and information security requirements for external vendors. The company appointed Mr. Matan Elgarisi, the fund's Head of Finance, who reports directly to the CEO, as the officer in charge of information security, and he is engaged in the management and implementation of a comprehensive information security policy designed to protect the company's information resources. The Fund's IT domain is managed by an external specialist provider that complies with the ISO 27001 information security standard and ISO 27799 for healthcare information systems. The Fund periodically reviews its vendor relationships and, in 2024, replaced its SOC service provider, which monitors cybersecurity events and network anomalies. The Fund also holds a dedicated cyber insurance policy.

Information security systems at the Fund's investments, including certain infrastructure assets considered critical to the daily functioning of the Israeli economy, operate in full coordination with Israel's National Cyber Directorate, given their sensitive nature. This collaboration includes following official guidelines, participating in dedicated cyber exercises, and complying with incident reporting protocols as defined by the Directorate.

Recognizing the gravity of this issue, the fund actively promotes cybersecurity awareness among its employees. Throughout the year, several reminders were distributed concerning cybersecurity protocols and reporting procedures, and practical exercises were conducted to reinforce adherence. In addition to enhancing employee vigilance, the fund also actively operates to prevent system failures by implementing backup and security mechanisms, fail-safes in IT infrastructure, internal audits (including by the internal auditor), and oversight by external service providers.



Safeguarding confidentiality and integrity of data while maintaining continuity of the company's business operations

generation

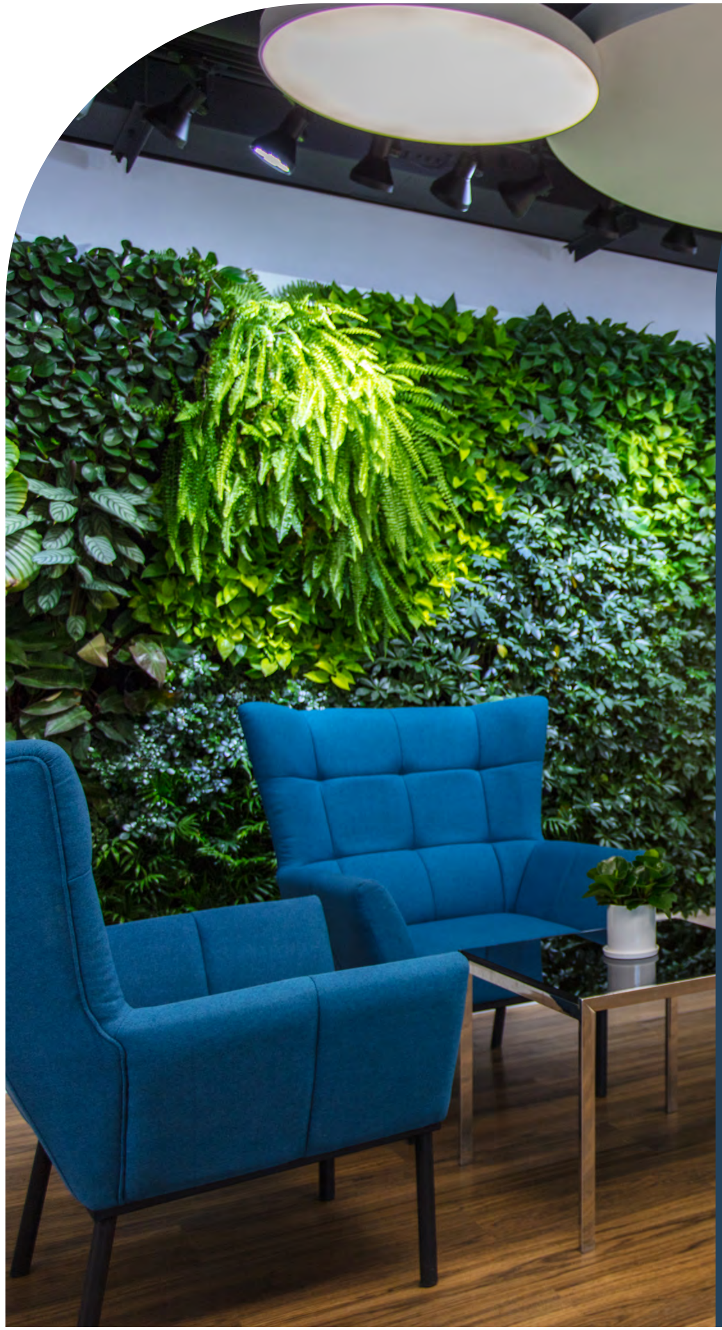
05
ESG Performance at Portfolio Companies

for generations to come

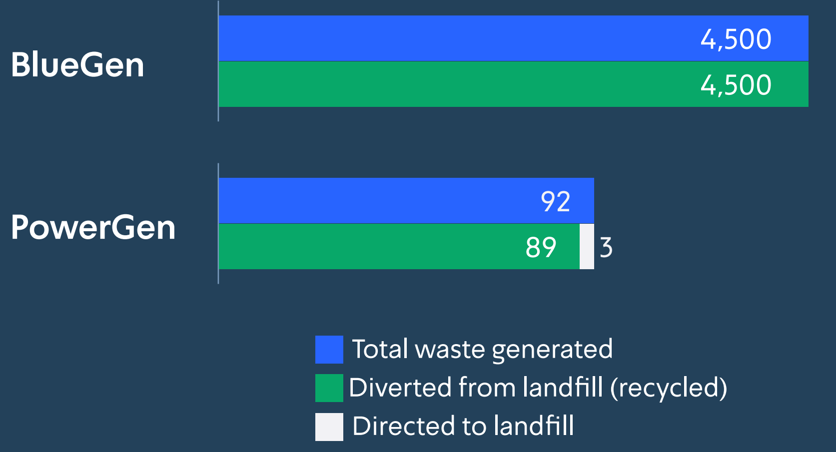
Environmental

The Portfolio Companies' Carbon dioxide Footprint, in tons

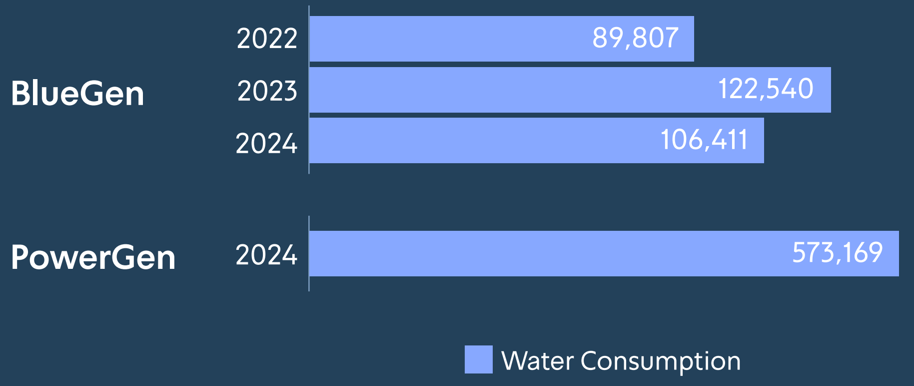
Company	Year	Carbon Footprint (Scope 1 + 2) in tons CO_2eq
BlueGen	2022	155,814
	2023	161,483
	2024	153,036
Bon-Tour	2022	7,779
	2023	10,751
	2024	9,826
Metropoline	2022	93,161
	2023	117,546
	2024	139,135
PowerGen	2024	2,337,655
Porterbrook	2022	164
	2023	157
	2024	261
Gas Distribution	2022	329
	2023	313
	2024	329
Fridenson-Generation	2022	826
	2023	917
	2024	770
Greenway	2022	6,580
	2023	3,661
	2024	4,443



Quantity of Waste Generated by Portfolio Companies, in tons



Portfolio Companies Water Consumption, in m^3



Social

In 2024, the fund updated its methodology for calculating employee data in Israeli portfolio companies in which the fund holds over 50% ownership, with the aim of uniformly and accurately reflecting the organizational structure of each company's management team. As part of this update, as shown in the table below, **Senior Management** is defined as the CEO and all those directly reporting to the CEO; **Middle Management** includes managers who do not fall under the Senior or Junior categories; **Junior Management**, the first-line management, includes managers who supervise non-managerial staff members. It shall be noted that project managers without direct subordinates, are not classified as part of the management hierarchy.

This revision was intended to bridge structural differences between companies and enhance the comparability of data across the portfolio. The same methodology has also been implemented retroactively for the 2023 reporting year.

Number of Employees in Portfolio Companies with holdings over 50%

Company	Year	Age	Non-Managerial Employees		Junior Management		Middle Management		Senior Management		Total
			Men	Women	Men	Women	Men	Women	Men	Women	
BlueGen	2023	Employees up to age 30	72	7	1	–	–	–	–	–	80
		Employees aged 31 to 50	239	56	24	6	18	10	4	–	357
		Employees aged 50+	148	23	8	2	23	3	12	1	220
		Total	**459**	**86**	**33**	**8**	**41**	**13**	**16**	**1**	**657**
	2024	Employees up to age 30	127	13	–	–	–	–	–	–	140
		Employees aged 31 to 50	286	51	25	7	23	8	5	–	405
		Employees aged 50+	160	25	12	–	19	5	12	2	235
		Total	**573**	**89**	**37**	**7**	**42**	**13**	**17**	**2**	**780**
Bon Tour	2023	Employees up to age 30	21	5	–	–	–	–	–	–	26
		Employees aged 31 to 50	70	31	4	5	–	–	6	1	117
		Employees aged 50+	244	14	1	–	–	–	7	1	267
		Total	**335**	**50**	**5**	**5**	**-**	**-**	**13**	**2**	**410**[29]
	2024	Employees up to age 30	21	4	–	–	–	–	–	–	25
		Employees aged 31 to 50	74	40	5	5	–	–	6	1	131
		Employees aged 50+	228	14	–	–	–	–	7	1	250
		Total	**323**	**58**	**5**	**5**	**-**	**-**	**13**	**2**	**406**
Metropoline	2023	Employees up to age 30	437	41			–	–	–	–	478
		Employees aged 31 to 50	988	106	4	6	9	1	3	2	1,119
		Employees aged 50+	809	37	2	1	3	1	5	1	859
		Total	**2,234**	**184**	**6**	**7**	**12**	**2**	**8**	**3**	**2,456**[30]
	2024	Employees up to age 30	590	46	–	–	–	–	–	–	636
		Employees aged 31 to 50	1,113	107	4	5	9	3	5	2	1,248
		Employees aged 50+	908	48	2	3	4	2	4	–	971
		Total	**2,611**	**201**	**6**	**8**	**13**	**5**	**9**	**2**	**2,855**
PowerGen[31]	2024	Employees up to age 30	6	18	–	–	–	–	–	–	24
		Employees aged 31 to 50	28	5	4	–	10	2	9	2	60
		Employees aged 50+	15	5	–	–	2	–	1	–	23
		Total	**49**	**28**	**4**	**-**	**12**	**2**	**10**	**2**	**107**

29 The reported number of employees is higher than last year due to a methodology update and the inclusion of employees who were on unpaid leave as of December 31, 2023.
30 The figure underwent additional validation in 2024 and was updated accordingly.
31 Including only employees directly employed by PowerGen.

Number of Employees in Portfolio Companies with holdings under 50%

Company	Year	Number of Employees
Porterbrook	2022	167
	2023	169
	2024	172
Gas Distribution	2022	53
	2023	50
	2024	50
Fridenson-Generation	2022	50
	2023	79
	2024	79
Greenway	2022	144
	2023	202
	2024	197

Employee Diversity

Gender Diversity Among Employees and Managers in Israeli Portfolio Companies

Company	Year	Percentage of women among all employees	Percentage of Women in Management: Percentage of women among all managers	Percentage of women in Senior Management	Percentage of women at Mid-Level Management
BlueGen	2023	16%	20%	6%	24%
	2024	14%	19%	11%	24%
Bon Tour	2023	14%	28%	13%	50%[32]
	2024	17%	28%	13%	50%[33]
Metropoline	2023	8%	32%	27%	14%
	2024	8%	35%	18%	28%
PowerGen	2024	30%	13%	17%	14%
Gas Distribution	2023	25%	33%	20%	29%
	2024	25%	18%	20%	17%
Fridenson-Generation	2023	25%	14%[34]	3%	25%[35]
	2024	25%	14%	16%	25%

Gender Diversity in Foreign Portfolio Companies

Company	Year	Percentage of women among all employees	Percentage of women among all managers	Percentage of women in Senior Management[36]	Percentage of women at Mid-Level Management
Greenway	2023	27%[37]	17%	0%	19%
	2024	27%	21%	0%	26%
Porterbrook	2023	28%	20%	25%	38%
	2024	27%	16%	30%	33%

32 The reported figure refers to the junior level, as Bon Tour does not have a mid-level management tier.
33 Same as above.
34 The data underwent further validation in 2024 and was updated accordingly.
35 Same as above.
36 Up to two levels below the CEO.
37 The data underwent further validation in 2024 and was updated accordingly.

Diversity in Underrepresented Communities Among Portfolio Companies Employees, Percentage of Total Workforce

Company	Year	Percentage of Employees of the Arab Community	Percentage of Haredi (ultra-orthodox Jews) Employees	Percentage of Employees of Ethiopian Origin	Percentage of Employees with Disabilities	Percentage of Employees over the age of 50
BlueGen	2022	26%	0%	2%	0%	56%
	2023	25%	0%	2%	0%	33%
	2024	13%	0%	2%	6%	30%
Bon Tour	2022	7%	Not measured	Not measured	4%	67%
	2023	7%	Not measured	Not measured	6%	65%
	2024	17%	Not measured	Not measured	6%	62%
Metropoline	2022	52%	1%	4%	0%	36%
	2023	49%	4%	3%	0%	35%
	2024	56%	2%	4%	0%	34%
PowerGen	2024	1%	2%	Not measured	Not measured	21%
Porterbrook[38]	2022	10%				
	2023	12%				
	2024	13%				
Gas Distribution	2022	0%	4%	0%	0%	9%
	2023	0%	3%	0%	0%	14%
	2024	0%	3%	0%	0%	22%
Fridenson-Generation	2022	1%	5%	2%	3%	29%
	2023	1%	4%	0%	4%	22%
	2024	1%	0%	1%	1%	28%

38 Share of total diverse populations relevant to the UK.

Diversity in Underrepresented Communities Among Portfolio Companies Managers, Percentage of Total Managers

Company	Year	Percentage of Employees of the Arab Community	Percentage of Haredi (ultra-orthodox Jews) Employees	Percentage of Employees of Ethiopian Origin	Percentage of Employees with Disabilities
BlueGen	2022	0%	0%	0%	0%
	2023	0%	0%	0%	0%
	2024	0%	0%	0%	2%
Bon Tour	2022	0%	Not measured	0%	0%
	2023	0%	Not measured	0%	0%
	2024	0%	Not measured	0%	0%
Metropoline	2022	1%	0%	0%	0%
	2023	1%	0%	0%	0%
	2024	12%	0%	0%	0%
PowerGen	2024	1%	1%	Not measured	Not measured
Porterbrook[39]	2022	4%			
	2023	5%			
	2024	11%			
Gas Distribution	2022	0%	0%	0%	0%
	2023	0%	0%	0%	0%
	2024	0%	0%	0%	0%
Fridenson-Generation	2022	1%	0%	0%	0%
	2023	1%	0%	1%	0%
	2024	0%	0%	1%	0%

39 Share of diverse populations relevant to the UK from among the managers.

Gender Diversity in STEM-related-Position in the Portfolio Companies, Percentage of Female Employees of All Engineering Employees

Company	Year	Percentage of Employees
BlueGen	2022	29%
	2023	29%
	2024	23%
PowerGen	2024	2%
Porterbrook	2022	13%
	2023	14%
	2024	15%
Gas Distribution	2022	11%
	2023	7%
	2024	6%
Greenway	2022	11%
	2023	5%
	2024	4%

Rate of Employees from Underrepresented Communities in STEM-related-Position in the Portfolio Companies, Percentage of all Engineering Employees

Company	Year	Percentage of Employees
BlueGen	2022	0%
	2023	0%
	2024	8%
PowerGen	2024	3%
Porterbrook	2022	11%
	2023	12%
	2024	8%
Gas Distribution	2022	4%
	2023	3%
	2024	3%

Promoting Direct Employment in Natural Gas Distribution Companies

Over the years, natural gas distribution companies have relied on contractor employment, primarily in construction and engineering, to meet temporary needs in specific projects. As company operations expanded, project volumes grew, and the demand for experienced professionals in the gas sector increased, both the number of contractors and the duration of their engagement rose accordingly.

In 2024, the company initiated a proactive process of transitioning these workers to direct employment contracts, as part of a strategic approach to retain skilled and knowledgeable personnel, strengthen employee commitment, and ensure long-term operational stability. This initiative reflects the company's commitment to improving employment conditions, promoting job stability, and enhancing the positive social impact of its operations.

Employee Turnover

Employee Turnover Data in Portfolio Companies in 2024

	Age	BlueGen			Bon Tour			Metropoline			PowerGen[40]		
		Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
No. of new employees	Employees up to age 30	77	4	81	31	7	38	480	66	546	3	3	6
	Employees aged 31 to 50	83	7	90	61	12	73	489	48	537	17	9	26
	Employees aged 50+	20	2	22	101	4	105	271	22	293	10	1	11
	Total	**180**	**13**	**193**	**193**	**23**	**216**	**1,240**	**136**	**1,376**	**30**	**13**	**43**
No. of vacancies filled[41]	Employees up to age 30	7	5	12	31	7	38	575	68	643	–	–	–
	Employees aged 31 to 50	27	3	30	61	12	73	628	58	686	–	–	–
	Employees aged 50+	10	1	11	101	3	104	325	22	347	–	–	–
	Total	**44**	**9**	**53**	**193**	**22**	**215**	**1,528**	**148**	**1,676**	**0**	**0**	**0**
No. of positions filled by internal candidates	Employees up to age 30	1	–	1	0	0	–	95	2	97	–	–	–
	Employees aged 31 to 50	–	–	–	0	0	–	139	10	149	5	3	8
	Employees aged 50+	2	–	2	0	0	–	54		54	–	–	–
	Total	**3**	**0**	**3**	**0**	**0**	**0**	**288**	**12**	**300**	**5**	**3**	**8**
Turnover (voluntary and involuntary)[42]	Employees up to age 30	66	2	68	31	7	38	271	58	329	2	1	3
	Employees aged 31 to 50	92	10	102	61	12	73	372	46	418	8	8	16
	Employees aged 50+	37	3	40	101	4	105	256	16	272	7	–	7
	Total	**195**	**15**	**210**	**193**	**23**	**216**	**899**	**120**	**620**	**17**	**9**	**26**
Voluntary Turnover (No. of Employees)	Employees up to age 30	60	2	62	27	4	31		N/A		1	–	1
	Employees aged 31 to 50	75	7	82	39	7	46		N/A		8	7	15
	Employees aged 50+	19	1	20	57	3	60		N/A		4	–	4
	Total	**154**	**10**	**164**	**123**	**14**	**137**		**N/A**		**13**	**7**	**20**

40 Including staff members directly employed by PowerGen only.
41 Including newly recruited employees and positions filled by existing company employees.
42 Including terminations, retirements and resignations.

Employee Turnover Data in Portfolio Companies in 2023

	BlueGen	Bon Tour	Metropoline
Total No. of Employees	657	356	2,465
No. of New Hires	81	230	1,350
No. of Open Positions Filled	65	229	1,392
Turnover (No. of Employees)	74	229	600
Voluntary Turnover (No. of Employees)	62	172	461
Total No. of Absentee Days	6,020	8,040	19,499
Total days scheduled to be worked	76,906	87,762	494,972

Estimated Employee Recruitment Cost

The following table summarizes the total cost associated with recruiting new employees, including onboarding costs, reduced productivity during the integration period, recruiter salaries, interview-related expenses, placement agency fees, job advertising, travel, and other related components.The ability to attract, retain, and develop top talents is a critical driver of portfolio company performance, as employees represent a core asset fundamental to operational continuity. Strategic management of talent acquisition, internal mobility, and professional development support organizational stability and the achievement of business objectives.

Estimated Employee Recruitment Cost

	BlueGen	Bon Tour	Metropoline	PowerGen
No. of New Employees	193	216	1,376	The company in its current form was established in 2024
Recruitment Cost (NIS)	2,073	2,069	7,282[43]	5,349

43 Including signing bonus and employee referral incentives.

Employee Wellbeing

During 2024, BlueGen and the gas distribution companies conducted an organizational engagement survey among their employees. 70% of BlueGen employees participated in the survey, which measured key indicators such as job satisfaction, a sense of fulfillment, stress levels, personal wellbeing, and a sense of purpose. The survey results serve as a valuable tool for understanding employee needs and enhancing their sense of belonging and engagement, as part of the company's ongoing investment in human capital and its commitment to fostering a supportive and sustainable work environment.

Employee Absentee at Portfolio Companies

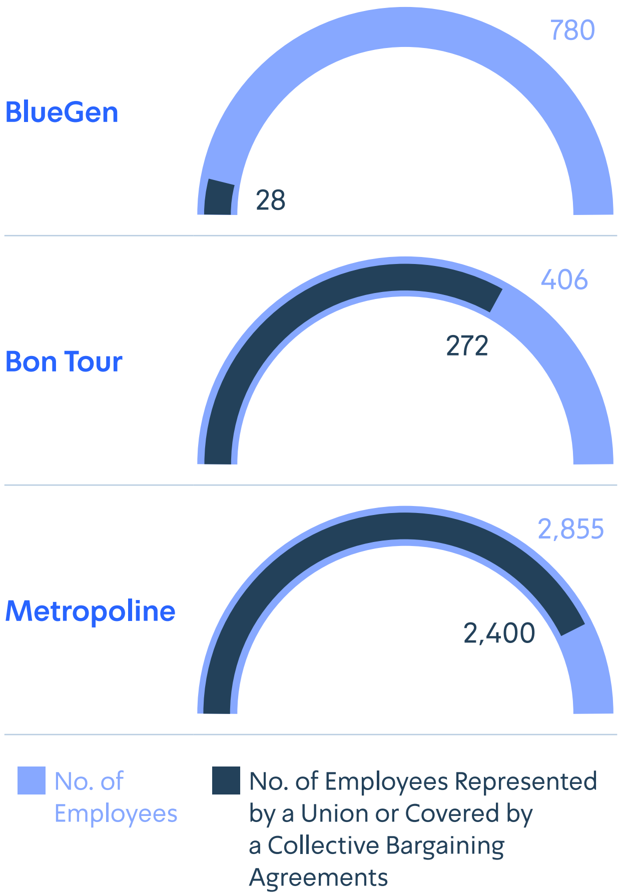
Company	Year	No. of employees	Absentee Days Excluding Reserve Duty	Reserve Duty Days	Total Absentee Days	Total Workdays[44]
BlueGen	2023	657			6,020	76,906
	2024	780	11,641	5,254	16,895	143,771
Bon Tour	2023	359[45]			8,040	87,762
	2024	406	6,741	1,046	7,787	82,900
Metropoline	2023	2,456			37,957	494,972
	2024	2,855	38,800	9,106	47,906	603,930
PowerGen	2024	107	906	1,416	2,322	27,824

Employee Welfare and Health Programs

Components of Employee Welfare and Health Programs		BlueGen	Bon Tour	Metropoline	PowerGen
Terms of Employment	Flexible working hours	Included	By need and circumstances	Included	Included
	Remote work	Hybrid Work	By need and circumstances	Not Included	Included
	Option for part-time employment	Not Included	Only a small number of employees work part-time	Included	Included
Family Benefits	Designated Breast-feeding/lactation facilities or benefits	There is a designated room for breastfeeding	Not Included	Not Included	Not Included
	Duration of **paid** parental leave for primary caregivers (weeks)	Per legal requirements	Per legal requirements	15 weeks	Per legal requirements
	Please specify the duration of **paid** parental leave for non-primary caregivers (weeks)	Per legal requirements	Per legal requirements	One week	Per legal requirements
	Paid family or care leave beyond parental leave (care of a parent, sibling, child, life-partner, etc.)	Per legal requirements	Per legal requirements	Included	Per legal requirements

44 Calculated as days scheduled to work x No. of employees.
45 Excluding employees on unpaid leave.

Employees Unions in 2024



Employee Training

Total Number of Training and Development Hours Provided to Portfolio Companies' Employees in 2024

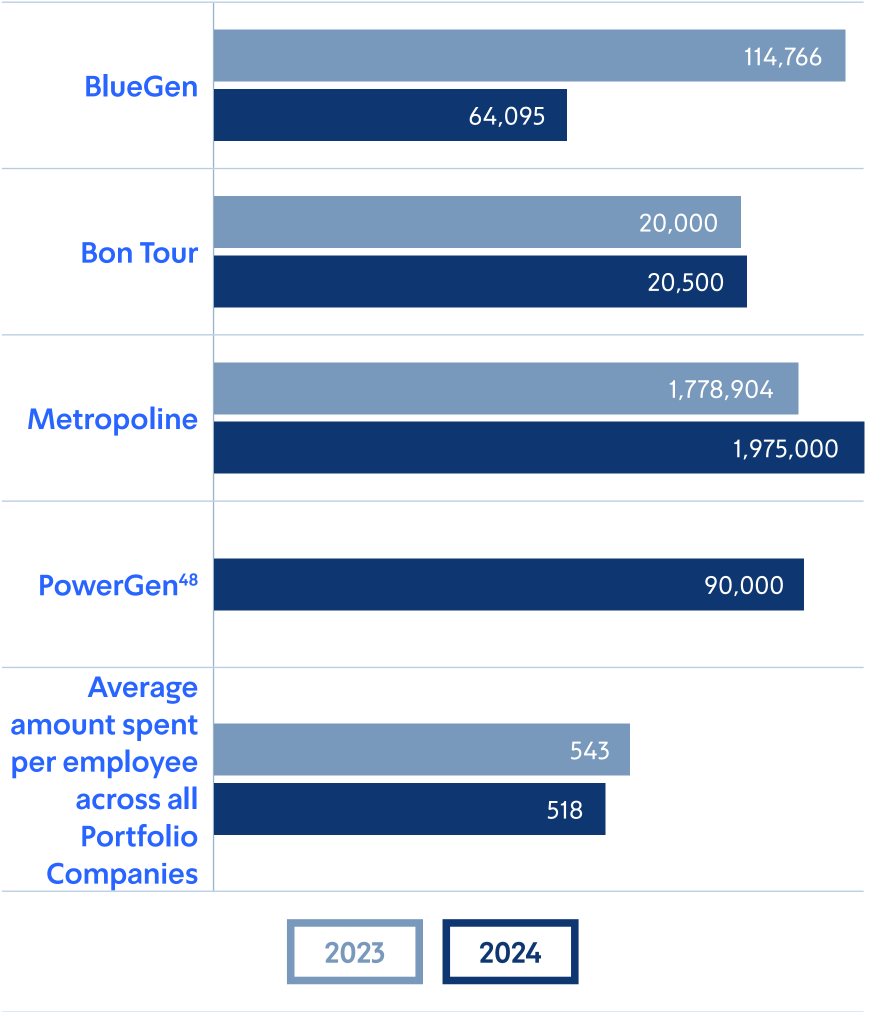
Rank	BlueGen			Bon Tour			Metropoline			PowerGen[46]		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior Management	29	13	29	52	12	64	-	-	-	30	6	36
Middle Management	914	91	914	16	20	36	70	60	130	36	6	42
Junior Management	-	-	-	-	-	-	660	-	660	12	-	12
Non-Managerial Employees	746	743	746	2,338	329	2,667	21,126	43	21,169	147	84	231
Total	**1,689**	**847**	**1,689**	**2,406**	**361**	**2,767**	**21,856**	**103**	**21,959**	**225**	**96**	**321**

Average Training and Development Hours Breakdown by Level in Portfolio Companies in 2024

Rank	Men	Women	Average by Level
Senior Management	2	4	**2**
Middle Management	15	9	**14**
Junior Management	13	-	**9**
Non-Managerial Employees	7	3	**6**
Total	**19**	**13**	**7**

46 Including staff members directly employed by PowerGen only.

Estimated Cost of All Training and Development Process for Employees[47]



47 Excluding the salaries of development and training team members employed by the company.
48 Including staff members directly employed by PowerGen only.

Characteristics of Employee and Manager Performance Evaluation Process

	BlueGen	Bon Tour	Metropoline	PowerGen
Management by Objectives	For some employees	Primarily for senior management performance reviews	✓	✓
Multidimensional Evaluation Based on Feedback from Multiple Sources in the Employee's Environment	Including manager evaluation	✓		
Team Performance Evaluation		Team based evaluation conducted at company branches		
Dialogue with Employees	✓	✓		✓
Performance Evaluation Frequency	Once a year	Once a year	Once per quarter	Once a year

PowerGen Talent Program

In 2024, PowerGen launched a talent and leadership development program tailored to each employee, manager, and high-potential individual in the organization. The program was developed as part of a strategic approach that views employees and managers as key drivers of growth, innovation, and operational efficiency. Its core objectives include preserving organizational knowledge, bolstering management stability, and ensuring continuity in key roles. This ongoing investment in personal and professional development reflects a culture of excellence and reinforces employees' sense of value and connection to the organization by signaling a strong commitment to career advancement and internal mobility. This initiative plays a significant role in reinforcing the company's long-term resilience and organizational stability.

Health and Safety at the Portfolio Companies

Company	Number of Work-Related Injuries		The Average Number of Health and Safety Training Hours per Year			OHS Management Certifications
Year	2023	2024	2022	2023	2024	
BlueGen	24	38	8	8	8	ILO-OSH 2001
PowerGen	Established in 2024	6	Established in 2024	Established in 2024	10.4	None[49]
Bon Tour	467[50]	435[51]	3	7	7	None
Metropoline	7,602[52]	8,980[53]	5	50	50	SI9301
Porterbrook	4	0	2.01	6	5	None
Gas Distribution	0	0	9	9	9	ISO 45001
Fridenson-Generation	4	5	4.87	2	2	None
Greenway	1	0	3.35	3.27	2.9	ISO 45001[54]

49 The operational sites (Naturgy and Siemens Energy) are certified under the ISO 45001 standard.
50 Number of traffic accidents.
51 This year, the company began tracking the number of work-related incidents excluding traffic-related incidents. In 2024, there were 418 traffic accidents and 17 work-related incidents.
52 The data underwent additional validation in 2024 and was updated accordingly.
53 Number of Traffic Accidents.
54 For company operations in Poland only.

Corporate Governance

Implementing Advanced Standards of Corporate Governance

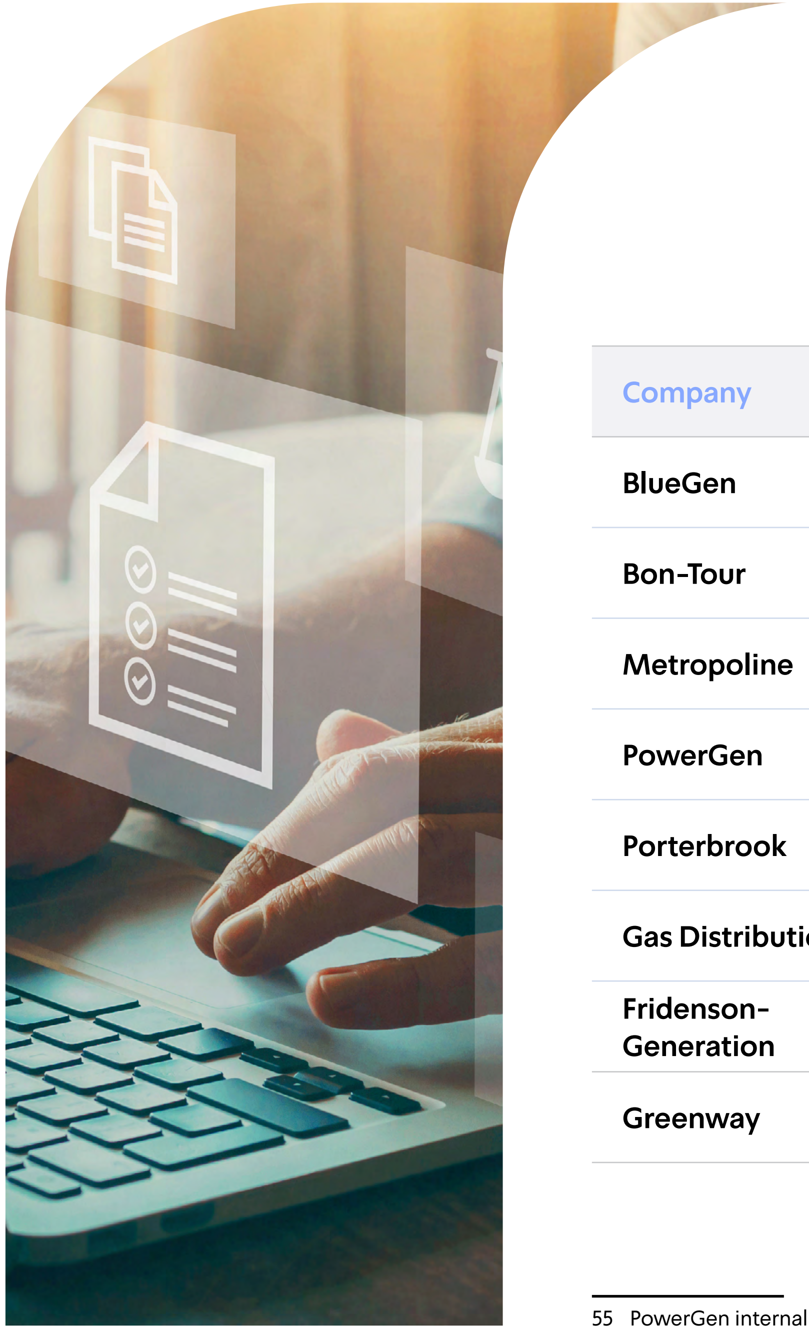
As part of the fund's responsible investment policy, corporate governance in portfolio companies is regarded as a matter of strategic importance, forming a fundamental professional infrastructure for business success. The fund ensures that sound corporate governance frameworks are based on the proper structuring of the companies' key governing bodies and the orderly management of internal records, supported by professional oversight.

Investment agreements include specific provisions addressing this topic. In addition to requiring adherence to the securities compliance program, they set out a series of tailored measures designed to strengthen each company's corporate governance. These include, among other requirements, the establishment of a board of directors or the regulation of its functioning in accordance with advanced public company standards, and the appointment of an external auditor who meets the highest global standards (selected from among the Big 4 accounting firms).

One of the fund's key priorities in advancing effective corporate governance in its portfolio companies is the establishment of a robust and substantive internal audit function, enabling professional and independent oversight of the companies' day-to-day management.

Accordingly, the appointment of an independent internal auditor is among the first steps the fund encourages in each of its portfolio companies. In 2021, the fund's internal auditor also conducted a dedicated review on this topic, aimed at enhancing and promoting internal audit practices across the portfolio.

The fund encourages all portfolio companies to act toward ensuring the highest standards of quality in their core areas of activity, and implement ongoing monitoring and evaluation to maintain compliance with these standards.



Company	Appointment of an Internal Auditor	Code of Conduct
BlueGen	✓	In place. Publicly Published |
Bon-Tour	✓	-
Metropoline	✓	In place
PowerGen	✓[55]	In place
Porterbrook	✓	In place. Publicly Published |
Gas Distribution	✓	-
Fridenson-Generation	✓	In place
Greenway	Not yet appointed	In place. Publicly Published |

55 PowerGen internal auditor appointed in early 2025.

Ethical Breaches and Whistleblowing Mechanism in Portfolio Companies

Company	Anonymous Whistleblowing mechanism is in place	Methods by which employees are informed of the mechanism	Process for Investigating the Reported Breaches	No. of Ethical Breaches Reported to Whistleblowing mechanism in 2024
BlueGen	A whistleblowing mechanism is in place, but reporting is not anonymous	During their onboarding process, all employees sign the Code of Ethics, which includes the contact details for reporting (email and telephone number)	The complaint is confidentially reviewed by a senior manager in the organization vs. the relevant parties in the company	0
Bon-Tour	A whistleblowing mechanism is in place, but reporting is not anonymous	There is no set procedure to inform employees of the mechanism	Examination in accordance with the company's procedures	Not measured
Metropoline	No whistleblowing mechanism is in place	N/A	N/A	0
PowerGen	Yes, including a mechanism for protecting the whistleblowers against retaliation	At least once a year, an email is sent to all employees, reminding them about the reporting mechanism	The complaint is confidentially reviewed by a senior manager in the organization vs. the relevant parties in the company	0
Porterbrook	Yes, including a mechanism for protecting the whistleblowers against retaliation	Intra-organizational means of communication	Examination in accordance with the company's procedures	0
Gas Distribution	No whistleblowing mechanism is in place	N/A	N/A	0[56]
Fridenson-Generation	Yes, including a mechanism for protecting the whistleblowers against retaliation	At least once a year, an email is sent to all employees, reminding them about the reporting mechanism	The complaint is confidentially reviewed by a senior manager in the organization vs. the relevant parties in the company	0
Greenway	A Whistleblowing mechanism is in place	Intra-organizational means of communication	Examination in accordance with the company's procedures	0[57]

56 See the Ethics Section regarding the claim filed against the former CEO of the gas distribution companies.
57 A small number of self-reported cases were received concerning the receipt of holiday gifts, which, upon review, were not identified as ethical breaches. Therefore, these cases were not recorded as breaches through the reporting mechanism.

Quality Management Certifications in the Portfolio Companies

Company	Quality Management Certifications[58]
BlueGen	ISO 14001
Bon-Tour	ISO 14001
Metropoline	ISO 9001, ISO 27001
PowerGen	-
Porterbrook	ISO 14001
Gas Distribution	ISO 14001, ISO 9001
Fridenson-Generation	ISO 9001, ISO 27001
Greenway	-

58 The accreditations listed for each company also apply in cases where an operating contractor acting on the company's behalf under a standing agreement across all sites operated by the company, has been duly certified.

06
Appendices

for generations to come

SASB Index

Sector: Asset Management & Custody Activities

Field	Section	Requested Information	Details
Transparency and Business Integrity	FN-AC-270a.1	Number and percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Since its establishment, none of the fund's employees were involved in a complaint and/or regulatory violation related to ethics or business integrity. For further details, see pages 41-42
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	Since its establishment, no regulatory sanctions have been imposed against the fund for ethical breaches, including the dissemination of false or misleading information. For further details, see pages 41-42
	FN-AC-270a.3	Description of approach to informing clients about products and services	Irrelevant, the fund has no clients
Diversity and Inclusion Among Staff Members	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for executive management, non-executive management, professionals, and all other employees	See pages 46-50
Integration of ESG Considerations in Investment Management	FN-AC-410a.1	Amount of assets under management, by asset class, that employ integration of environmental, social, and governance (ESG) issues, sustainability-themed investing, and screening	100% of the assets, see page 25
	FN-AC-410a.2	Description of approach to the incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	See page 24
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	See pages 19-28
Business Conduct	FN-AC-510a.1	The total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	See pages 41-42
	FN-AC-510a.2	Description of whistleblower policies and procedures	See page 41

Activity Metric:

Information Requested	Code	Description			
		2021 (31.12.21)	2022 (31.12.22)	2023 (31.12.23)	2024 (31.12.24)
Total registered and total unregistered assets under management (AUM)	FN-AC-000.A	Total assets under management (AUM) - 2,491,787,000 NIS	Total assets under management (AUM) - 3,162,497,000 NIS	Total assets under management (AUM) - 3,875,610,000 NIS	Total assets under management (AUM) - 4,180,329,000 NIS

generation

We are proud to present Generation Capital's 2024 ESG report, reflecting our commitment to developing sustainable infrastructures.
Our strategy is anchored in a long-term vision aimed at delivering sustained value to our investors, society, and the environment.
We look forward to continuing this journey in future reports – for the benefit of generations to come.

for generations to come