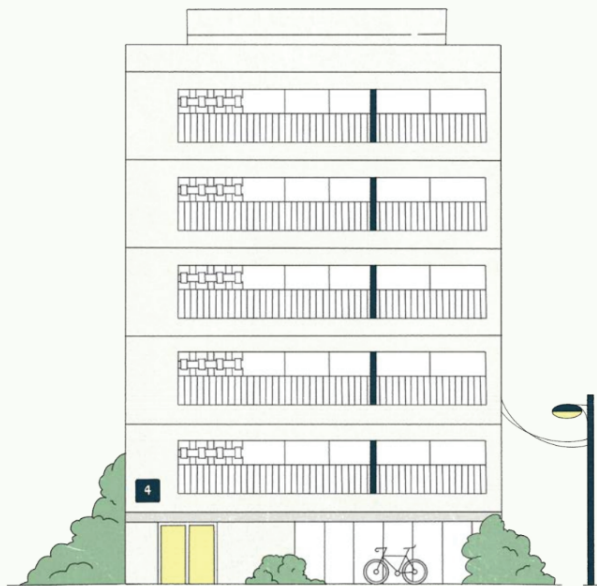




TURNING  
RESPONSIBILITY  
INTO REALITY

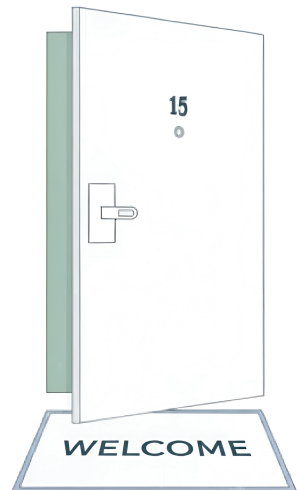


**REALITY group** is committed to corporate responsibility and sustainable development, based on the belief that creating genuine value combines business success with significant social and environmental contribution. **As a leading real estate fund in Israel, with an investment portfolio of over ₪12B under management,** we leverage our investments in order to develop the local economy, empower communities, and shape a healthy and thriving urban environment, while maintaining high standards of corporate governance, social engagement, and integrating ESG considerations throughout all of our operations – from the acquisition stage through the improvement of the properties.

We manage 8 private funds and income-producing property operations in Germany, employing a leading multidisciplinary team, maintaining long-term relationships with investors, authorities, suppliers, and the community, and implementing ESG and impact methodologies, including REALITY Green for green offices and measurement of the environmental impacts in properties.

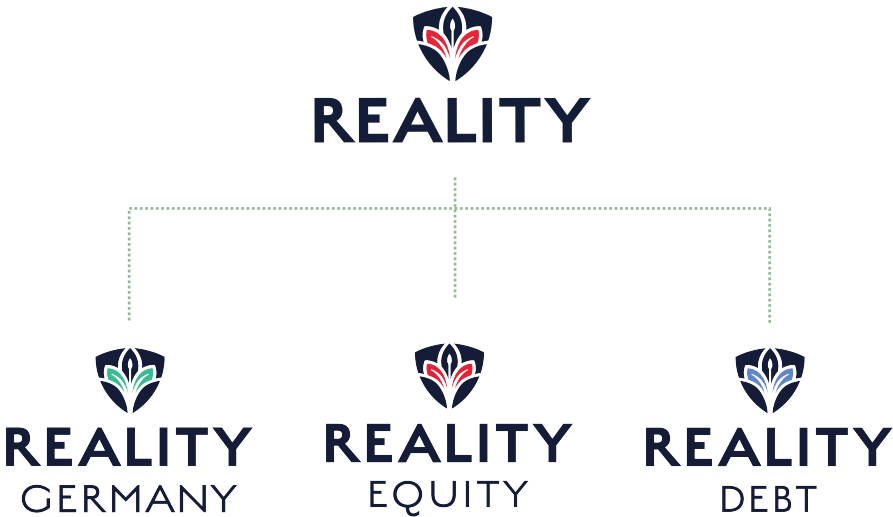
During 2023–2024, we organized over 100 events in communities and in the properties, we invested in the development of human capital, we promoted technological innovation including PropTech, and we expanded social activity through the Advot Foundation and support for non-profit organizations, while maintaining transparency, managing environmental risks, and ensuring accessibility and safety.

REALITY strives to create long-term value for all stakeholders – economic, social, and environmental – and it is leading the industry toward a sustainable future.



# Group Activites

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## **REALITY Debt**

REALITY Debt provides equity capital and advanced financing tracks for real estate developers in Israel for the acquisition, improvement, establishment, and promotion of projects across all property types, including urban renewal. The Fund offers solutions such as bridge loans and rescue financing, flexible financing terms, and professional guidance. It invests in a diversified portfolio as a risk management tool and its operating model is partially based on returns derived from the project's profits – so that it reflects full partnership in the developer's success.

## **REALITY Equity Funds**

REALITY Equity Funds acquire, develop, and manage strategic properties in Israel, specializing in enhancing large-scale and complex projects and revitalizing neglected areas. The Funds create economic, social, and environmental value for investors, authorities, and residents by identifying properties with potential, rezoning, operational improvement, and managing a diverse portfolio across all real estate sectors. The Funds lead responsible investments while maintaining business excellence and high standards of corporate governance and transparency.

## **REALITY Germany**

REALITY Germany acquires, manages, and enhances income-producing and stable properties in strategic locations in growing cities, specializing in essential commercial real estate and offices occupied by leading German companies. The Fund identifies properties with development potential based on anchor tenants and it actively conducts property improvements to generate stable returns. Simultaneously, Reality Germany leads a dedicated ESG strategy that includes aspiring to achieve the leading German standards and implementing green lease contracts across all its properties, so as to reduce the environmental impact of both the property and the tenants.

# Our ESG Approach

At REALITY, we operate with a deep sense of responsibility towards the environment, the residents, and the stakeholders, integrating social and environmental values into planning and investments while fostering human capital and innovation, as part of a comprehensive and structured ESG policy.

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## REALITY FOR PEOPLE

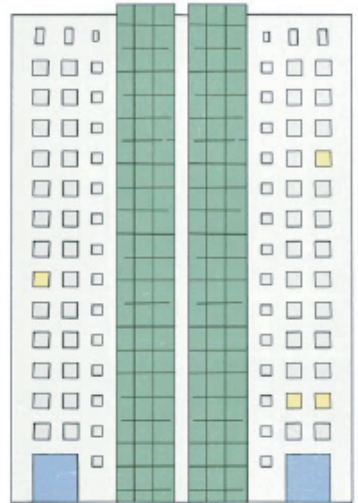
- Support and involvement in communities
- Cultivation, development, and empowerment of employees
- Diversity, equality, and inclusion

## REALITY'S COMMITMENT TO BUSINESS ETHICS

- Business ethics and compliance
- Transparency and accountability
- Promoting innovation

## REALITY FOR A SUSTAINABLE ENVIRONMENT

- Energy management and climate policy
- Property planning according to green building standards
- Emissions and carbon footprint
- Sustainable planning and development



## ■ Principles of Our ESG Policy

REALITY promotes **organizational innovation** and supports the advancement of knowledge and technologies in the real estate sector. It exercises **social and environmental responsibility to achieve beneficial urban planning** and positive community impact, cultivates and empowers its employees through a creative work environment and personal development programs, and maintains **proper, transparent, and fair business conduct** with all of the stakeholders, while committing to continuous improvement and to meeting the standards of a public company.

## ■ ESG Goals for 2025-2026

REALITY will act to deepen ESG integration across all its departments – from environmental due diligence, waste separation, impact measurement, and the involvement of sustainability consultants, through expansion of activity in the peripheral areas, improvement of financial processes and employee empowerment, to strengthened environmental and health initiatives at the office – with the goal of leading responsible, innovative, and impactful activity across all areas of operations.

## ■ Integrating ESG Along Our Value Chain

REALITY's philosophy is based on understanding that real estate serves as a central engine for achieving regional renewal and improving quality of life, and we therefore manage the capital and assets that we own in a responsible manner that strives to realize the full potential of each investment for the benefit of all of the stakeholders and the environment, by identifying complex opportunities, working collaboratively with authorities and communities, and integrating advanced environmental planning, and by developing intensive urban projects, and implementing a responsible investment policy.



## ■ Research, Initiation, and Acquisition

Examining the property's history and integrating social and environmental aspects into the acquisition decision

## ■ Future Planning

Examining the long-term public benefits and the planning that takes social and environmental needs into consideration

## ■ Interim Uses

Examining short-term public benefits and developing initiatives and collaborative activities that take the property's surroundings into consideration

## ■ Realization and Transfer

Examining the buyers' ethics and reputation, in order to preserve the guiding principles of the planning upon which the rezoning was based

# Our ESG Focus Areas

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## **REALITY for People**

REALITY's employees form the beating heart of the organization, and we are committed to a safe, diverse, and empowering work environment that supports professional and personal development, well-being, and realization of their full potential.

REALITY integrates social considerations at all stages of the property improvement and investment, including planning for mixed-use development, high-quality public spaces, affordable housing, and environmental infrastructure, with the goal of promoting the welfare of residents, tenants, and visitors, and of creating attractive cities and fostering regional growth.

## **REALITY's Commitment to Business Ethics**

REALITY conducts its operations according to high standards of corporate governance and business ethics. This includes close collaboration with suppliers as business partners, investment in investor relations through transparency and ongoing dialogue, and the promotion of technological and creative innovation – all with the goal of creating shared value, realizing the full potential of its properties and teams, and ensuring business success and sustainability.

## **REALITY for a Sustainable Environment**

REALITY views environmental considerations as a key component of its property improvement and investment process, and it implements a sustainable policy that includes monitoring emissions, responsible use of resources, preserving nature and buildings, promoting green transportation, and increasing environmental awareness. In addition, we assess and optimize the emissions of managed properties, incorporate natural vegetation, and encourage tenants to reduce environmental impacts. We bring in professional consultants and implement projects such as "REALITY Green" in offices and ongoing operations. Our approach incorporates sustainable planning and management of environmental risks and climate change in accordance with regulations.



# Key Achievements in 2023-2024

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We conducted **10** urban studies that form the basis for planning the interim uses in the properties and for developing the future improvement plan

As of the end of 2024, the average occupancy rate in Reality properties is **91.8%**

**2,820** sqm. were leased to non-profit associations and organizations at a subsidized value of between ₪ **2-2.5M** per year

**41%** of all employees are women

**28.6%** of management positions are held by women

**13** employees participated in 7 professional conferences and training sessions in 2024

In 2024 our team grew by **31.7%** over 2023

**57** REALITY employees participated in mandatory training on information security

**99.6%** of our suppliers are local suppliers representing

**99.96%** of our total procurement

Approx. **74%** of our suppliers are small and local suppliers representing Approx. **81%** of our total procurement

# The Impact of Our Impact Initiatives 2023-2024

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**22** different impact events were held, of which some 7 events took place on a recurring basis, with a total of approx. **100** events held cumulatively

Approx. **244K** was invested in the various impact events

Approx. **131K** participants took part in the various events and activities alongside some **20** collaborations with organizations within and around the properties



# Implementing ESG Considerations in Our Properties

**87%**

of the properties included collaborative planning work with owners of adjacent plots, aimed at promoting beneficial regional development

**91%**

of the projects were designed to include mixed urban spaces that integrate public buildings, commercial space, and employment

**83%**

of the projects included collaborative work with planning organizations that incorporate social aspects

**100%**

of the projects meet accessibility requirements for people with disabilities

**87%**

of the projects were planned to include more public spaces

**96%**

of the projects increased the residential space

**57%**

of the projects addressed shade in the public space

**43%**

of the plans that REALITY promoted included a commitment to soil remediation

**22%**

of the projects included planning for renewable energy

**87%**

of the projects included guidance by external consultants in green building and environmental quality

**61%**

of the projects incorporated green building

# Spotlight on Advot Fund - The Philanthropic Fund

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## Advot Foundation

The Advot Fund is a family philanthropic fund established by the Vardi and Rozen families, the founders of the REALITY Group, with the goal of strengthening Israeli society by making social investments in a diverse range of projects that require improvement. The Foundation focuses on making integrative medicine accessible in the public healthcare system, while also supporting caregivers and treating teams, and it implements a partnership approach to expand its circles of impact, including collaborations with donor families and philanthropic funds. During 2022-2023, the Advot Fund supported over 40 projects, including training for medical teams, complementary therapies for patients, therapeutic yoga and mindfulness workshops, as well as innovative research on the effects of homeopathic treatments, and all while leveraging the strengths and experience that REALITY brings from the business world in order to achieve the maximum impact.

### To date, the Advot Fund has impacted:

Approx. **250**

physicians and staff  
members

**19**

medical centers

**13**

complementary medicine  
non-profit organizations

Approx. **1500**

patients and their family  
members

THANK  
YOU



**REALITY**