



ESG REPORT

2023

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Message from the Chairman of the Board and CEO of BIG

BIG Group began its journey three decades ago, determined to bring a new shopping experience to Israel. It was a pioneer in establishing the first shopping center in a remote area in the south of the country, proving the potential of shopping centers in peripheral areas. In 2006, the company's shares were listed on the Tel Aviv Stock Exchange, and BIG continued to solidify its position as the largest open-air shopping center company in Israel. Over the years, it has become a well-known and leading brand, attracting a variety of visitors and prominent tenants, and serving as a significant employment anchor for the surrounding communities.

In 2008, BIG began to expand its operations outside of Israel and established a substantial presence in Europe. The financial results and continued growth that BIG has consistently demonstrated across all operational parameters over the years, particularly during challenging periods, provide clear evidence of the company's business success.

Alongside the significant financial success reflected in the company's financial reports, in this report we have chosen to describe, for the first time, how the implementation of corporate responsibility and sustainable development practices form a strong foundation for the company's management and strategic approach. The report also seeks to quantitatively and qualitatively demonstrate how these practices are expressed in environmental, social, and governance (ESG) metrics.

The group's operations over the years have relied on strong infrastructures based on values of business ethics and environmental, community, and corporate responsibility; we believe this culture is a key component of our business success. We cultivate an organizational culture that promotes values of transparency, a supportive work environment, community contribution, and fairness in business, towards all our stakeholders.

We view the integration of environmental, social, and governance aspects into our business activities as a growth driver that creates long-term value for the group and its various stakeholders. This report describes the ways we manage the current and future impacts of ESG factors on the group, as well as the group's direct impact on these factors.

At a time when Israel is dealing with an unprecedented and prolonged war that is profoundly affecting Israeli society, the company's deep connection with all of its stakeholders — employees, tenants, customers, suppliers, local authorities, business partners, and shareholders — has become increasingly significant. Our ability to preserve job security for our employees, support our tenants, and support our customers by maintaining a healthy routine, as much as possible, is essential. We are using our shopping centers as platforms for aid and to expose and raise awareness of key issues, among which is the ongoing and painful effort to bring home our hostages, Israeli citizens who were kidnapped on October 7th by the Hamas terrorist organization. All of these actions are based on an organizational culture with deep foundations of action and engagement, which includes strong relationships with the social sector in Israel that enable us to impact the community to which we belong.

We believe that the company's resilience and strength in Israel are reflected in its ability to maintain a daily routine even in such a challenging and complex period. As a company, we understand that for our customers, we represent healthy stability, normalcy, and daily interactions that fulfill essential emotional and social needs. For our tenants, the ability to continue their business operations is crucial to their stability and success, and we are therefore committed to doing everything in our power to sustain operational continuity, effectively manage our shopping centers, and drive the growth and expansion of our properties.

We hope that reading this report will foster a deeper understanding of our company's material topics and provide insight into the unique DNA of our operations.



Hay Galis
BIG CEO



Eitan Bar Zeev
BIG Chairman of the Board

1 // Background and introduction

About BIG

BIG Shopping Centers (hereinafter: "the Company," "BIG") is the leading group in Israel specializing in the development of open-air shopping center concepts.

Founded in 1994 by Yehuda Naftali with a vision to develop American-style open-air shopping centers in Israel, BIG continues to lead this sector in the country to this day.

BIG has been listed on the Tel Aviv Stock Exchange since 2006, and its securities are included in the TA-35 Index, the Real Estate 15 Index, and the Tel-Dividend Index. It holds a controlling stake in AFI Properties (approximately 89.29%), which manages and develops income-generating real estate in Israel and Eastern Europe.

Together with subsidiaries and partnerships (hereinafter referred to as "the group, BIG Group"), BIG Group engages in the initiation, development, acquisition, and ownership of open shopping centers, malls, offices, and rental housing in Israel, Eastern Europe, and the Balkan countries.



1994

Yehuda Naftali establishes Israel's first open-air shopping center under the BIG brand in Be'er Sheva

2006

The Company's shares are issued to the public on the Tel Aviv Stock Exchange.

2008

BIG begins business operations outside of Israel and initiates operations in Europe (CEE).

2019

BIG is included in the Tel Aviv 35 Index, which consists of the 35 largest companies by market value on the Tel Aviv Stock Exchange.

2021

BIG becomes the controlling shareholder of AFI Properties after acquiring more than 50% of the publicly traded company's shares.



Activities overview

BIG Group primarily focuses on the retail center sector, while AFI Properties specializes in office and residential rental properties. As of the end of 2023, BIG Group, along with AFI Properties, is developing, operating, and managing 139 projects worldwide. These include 56 shopping centers and malls, 35 office buildings, 16 residential projects, six mixed-use projects, and seven logistics centers.



8 Countries

27 Billion NIS in asset value

139 Projects worldwide

2.8 Million square meters



BIG during the Iron Swords War

With the outbreak of the Iron Swords War on October 7, 2023, Israeli society found itself under a brutal and murderous attack by the terrorist organization Hamas. Although Israel is still facing a horrific war imposed upon it and operating under severe threats to its citizens' security, BIG Group has demonstrated business resilience and stability, particularly due to its high level of engagement with the key stakeholders related to its operations. When the war began, the Company acted immediately to provide significant assistance and stability to all of its stakeholders, to the extent of its ability, as described below.

Employees: From the outbreak of the war, all employment conditions remained unchanged; all Company employees received full salaries, and no employee was dismissed or placed on unpaid leave. The Company allowed its employees to work remotely, with flexible work hours. In cases where emotional distress was identified among employees, emotional support was provided through an external psychologist. The Company encouraged employees to engage in group and individual volunteering activities for various needs arising from the war – from assisting farmers, through supporting evacuees, to preparing food and boosting the morale of military forces during breaks from combat.

Tenants: BIG established a structured policy aligned with the complex economic situation imposed on many businesses. The Company created a relief mechanism to help maintain tenants' business stability, taking a long-term perspective and aiming to ensure their ability to return to full functionality as soon as possible.

"We are in a period of conflict that has been forced upon us following the atrocities we experienced on the fateful Saturday of October 7th. Just as we have stood by your side in the past – during times of conflict, throughout the entire COVID-19 pandemic, and whenever needed – we are once again working to assist you so that we can overcome this current crisis and emerge stronger. Our primary goal is to help and support you, ensuring that as our tenant, you can navigate the coming period more securely."

From a letter by
Hay Galis, CEO of BIG,
dated October 24, 2023:



BIG during the Iron Swords War

Customers and community: BIG operated in accordance with Home Front Command guidelines to open stores despite the war, and encouraged its customers to maintain routine activities as much as possible, as part of the effort to preserve social resilience. The Company understood the difficulty and great challenge faced by many parents whose children were confined to their homes due to school closures, and offered opportunities for recreation at its centers. Additionally, BIG established an assistance system, in collaboration with the Business Forum, that provided financial aid to thousands of evacuees and assisted evacuated small businesses by allocating commercial space in BIG centers to them at no cost.

As a well-known brand attracting hundreds of thousands of customers, BIG utilized its shopping centers to raise awareness and promote the fight for the return of the hostages who were kidnapped from their homes. The images of the hostages were displayed on digital screens, parking spaces were painted yellow with the message that these spots are reserved until the return of the hostages, the company's logo was turned yellow, and yellow flags, the symbol of the fight for the hostages' return, were placed across all of the company's properties.



100%

Employment security
for BIG employees

23 million NIS

Assistance funds for
tenants

1.08 million NIS

Direct financial
support to evacuees

2 // About the report

About the report

This is BIG's first ESG report, covering the reporting year 2023. The report reviews and describes the Company's activities in environmental, social, and corporate governance areas, and presents supporting numerical data.

The various chapters of the report describe the Group's performance in each area in 2023, along with the Company's policy on the subject, relevant personnel responsible for its management, procedures guiding the activities, and goals and metrics set by the Company.

In terms of scope, this report refers to the direct activities of BIG Group, while AFI Properties (which, as mentioned, is under BIG Group's control) is expected to conduct a separate reporting process in 2024, due to its status as a publicly traded company managed separately from BIG.

The report is written in accordance with the reporting methodologies of the GRI standards (at the "With Reference To" reporting level) and SASB (Leisure Facilities Standard), in the spirit of the GRESB framework, and with reference to the requirements of leading ESG rating analyses and best practices.

For all matters related to ESG topics at BIG Group, please contact Ms. Yasmin Elad, ESG Manager of the Group via email at yasmin@bigcenters.co.il.



Material topics

The nature of the company's activities, the markets in which it operates, and regulatory trends all formed the basis for the process of selecting the material topics relevant for reporting.

Table 1 presents the various issues from which six key topics were chosen as the most significant to the Company's activities and its relationship with stakeholders.

The material topics are as follows:

- Energy and climate
- Green building
- Human capital
- Customers and tenants
- Health and safety
- Business ethics

Stakeholders

- A Employees
 B Tenants
 C Clients – Customers
 D Suppliers
 E Partners
 F Shareholders and investors
 G Local community
 H Authorities
 I Governance
 J Society
 K Business community

Table 1

Material topic	Substantial economic, social, and environmental impacts of the Group – based on the SDGs	Stakeholders affected	Additional stakeholders, outside the Group, who have an impact on the topic
Energy and climate	7,13	A B C D E F G J	B C D E I
Waste and recycling management	12	A B C D J G	B C D E I H
Biodiversity	15	J G	J B G
Green building	7,13	F K E D J I C H B G	H I C
Water and wastewater	6	J G	J H
Economic value and employment	8	A B D F I J	B D E I
Social and community prosperity	4,11,17	A B C D E F G I J K	B D G H I
Respectful and equitable environment	5,10	A B D E K	B D E F
Human capital	4	A B C D	B C
Health and safety	3,8	A B C D	B C D E
Business ethics	16	A B C D E F G J K	H I J K

Stakeholders

BIG dedicates significant attention to its stakeholders, including shareholders, customers, employees, suppliers, affiliated companies, and regulators, to ensure that the Company operates in a considerate and responsible manner with respect to all of its stakeholders.

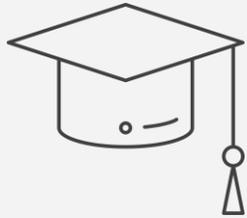
The Group views the ESG report as an important tool for managing relationships with all of its stakeholders and for reflecting its policies and activities in environmental, social, and corporate governance aspects. Through this report, BIG also aims to demonstrate to stakeholders how it manages the risks associated with various ESG factors.

Dialogue channels

Stakeholder group	Involvement level	Involvement approach	Main topics
F Shareholders	Company-wide	<ul style="list-style-type: none"> • Direct communication with institutions and investors • Direct dialogue with partners • Updates on the Company website • ESG report 	Corporate governance, sustainability reporting, risk management, health and safety, green building
A Company employees	Individual	<ul style="list-style-type: none"> • Annual individual conversations and evaluations • Reporting mechanisms 	Corporate governance, health and safety, welfare, diversity and inclusion
B Tenants	Company-wide Project and asset level	<ul style="list-style-type: none"> • Individual conversations with representatives • Direct contractual engagement • Satisfaction survey • Participation in forums 	Financial performance, energy management, diversity and inclusion
C Customers	Company-wide Project and asset level Individual	<ul style="list-style-type: none"> • Public announcements/ social media • Direct communication with property managers 	Health and safety, social initiatives
D Suppliers	Company-wide Project and asset level Individual	<ul style="list-style-type: none"> • Individual conversations • Direct contractual engagement • Contractual due diligence • Satisfaction survey 	Corporate governance, health and safety, energy management
G Local community	Project and asset level	<ul style="list-style-type: none"> • Direct conversations with non-profit organizations • Activities within communities • Connecting non-profits with local authorities and their needs 	Social initiatives, community contribution, strengthening disadvantaged populations

Company performance in relation to the Sustainable Development Goals (SDGs)

BIG is committed to advancing the United Nations' Sustainable Development Goals (SDGs), which encompass humanity's central challenges and address social, economic, and environmental issues. Below are the key goals that the Group is working to promote:



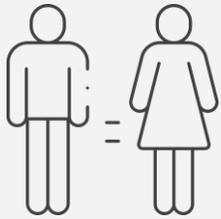
Goal 4

Quality Education

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

- 5 million NIS were invested as community donations, with the majority of the budget allocated to educational projects for children and youth in the communities where we operate.
- Approximately 550 volunteer hours were directly invested in educational activities.

Company performance in relation to the Sustainable Development Goals (SDGs)



Goal 5

Gender Equality

Achieve gender equality and empower all women and girls Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making

- 44.5% of the board of directors are women.
- 45% of the Company's total workforce are women.
- 28% of the management team are women.
- 67% of new hires between 2022-2023 were women.

Company performance in relation to the Sustainable Development Goals (SDGs)



Goal 7

Affordable and Clean Energy

By 2030, increase substantially the share of renewable energy in the global energy mix

- A total of 25,345 MW of solar energy was generated on shopping-center roofs in 2023.
- 145% growth in the capacity of solar-energy systems installed by the Company between 2022 and 2023.
- BIG has committed to a 42% reduction in its Scope 1+2 emissions by 2030.

Company performance in relation to the Sustainable Development Goals (SDGs)



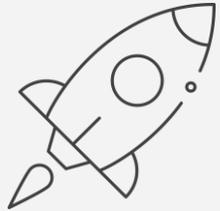
Goal 8

Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth

- 82% of BIG's shopping centers in Israel are located in geographically peripheral communities.
- 12,000+ local workers are employed by tenants in the shopping centers.
- 20% of the tenant mix consists of small/medium businesses, local brands, and franchises.

Company performance in relation to the Sustainable Development Goals (SDGs)



Goal 9

Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- 100% of the Company's new buildings are constructed according to green building standards – Israel Standard 5281 / LEED.
- 91% of the Company's active shopping centers in Israel and 56% of its properties in Europe include electric vehicle charging stations.



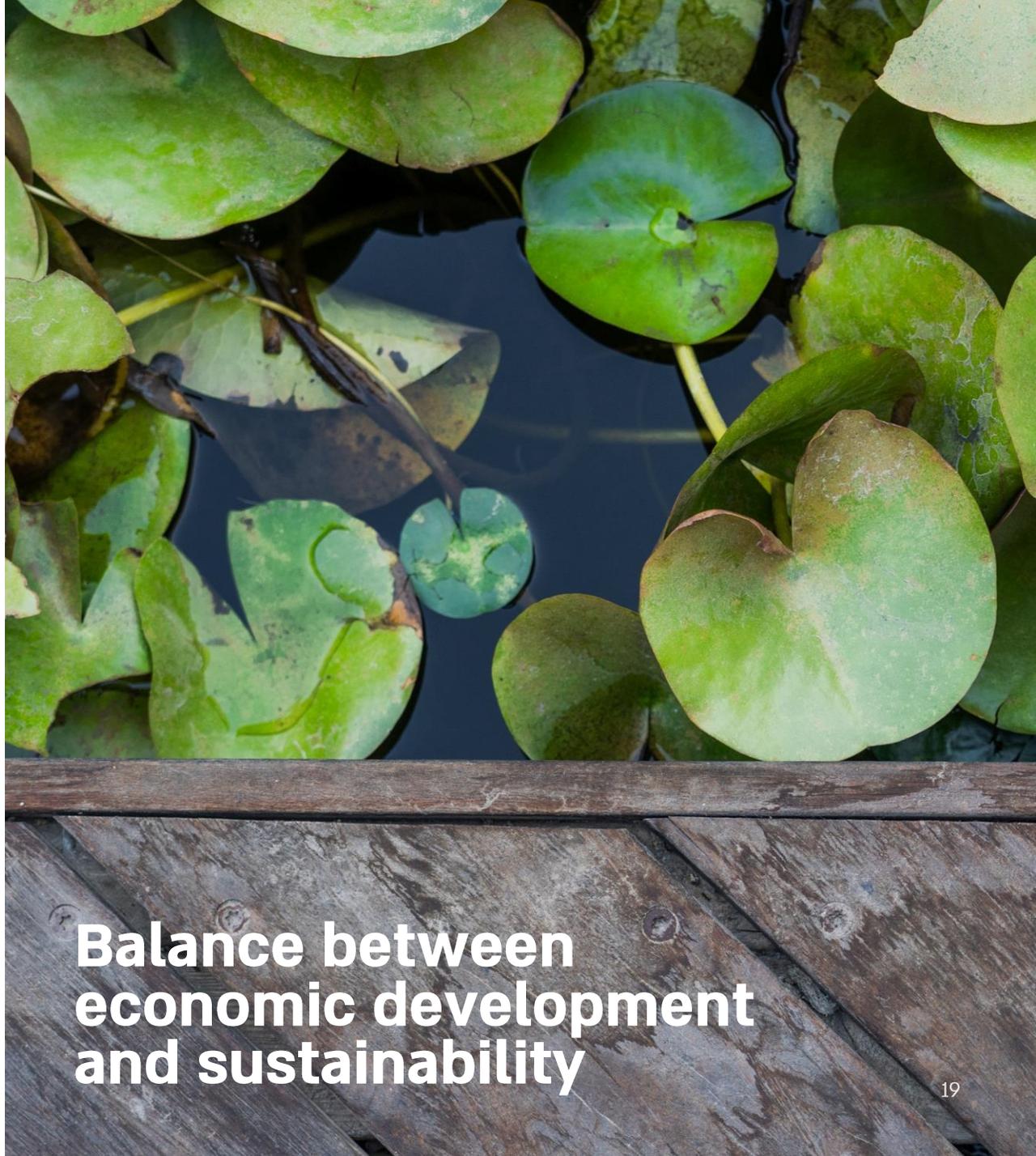
3 // Environment

Sustainability approach

BIG believes in the importance of balancing economic development with sustainability. The Company is committed to environmental protection while aspiring to be a model of responsible environmental conduct for companies in the commercial real-estate sector. Environmental responsibility is reflected in the Company's ongoing efforts to reduce its ecological footprint, and to extend these activities to all of its stakeholders – tenants, visitors, residents, employees, suppliers, and the community as a whole.

BIG operates in accordance with environmental regulations and laws in the various jurisdictions where it is active. In addition to actions to reduce resource consumption at its properties, and careful management of water resources and waste, the company initiates and develops projects for electricity generation using solar systems on its properties and promotes agreements with low-carbon energy suppliers.

At the beginning of 2023, the Company started the process of setting greenhouse-gas emission reduction targets, in alignment with the Paris Agreement goal of limiting the rise in global average temperature to 1.5 degrees Celsius. As part of this process, a comprehensive mapping of the Company's greenhouse-gas emission sources across all of its properties was conducted with the help of an external consulting firm. The Company's carbon footprint was mapped and calculated according to the GHG protocol guidelines, based on direct and indirect emissions in Scopes 1, 2, and 3.



**Balance between
economic development
and sustainability**



3 // Environment // Energy and climate



Environmental and climate policy

BIG is committed to advancing its operations with a constant effort to create a more sustainable and healthier environment for the planet and future generations. We consistently work across various domains to achieve these goals and reduce our environmental impact, by focusing on all possible consequences of our activities during the construction and operation phases of our owned properties.

We are committed to minimizing our activities' impact on the environment and raising awareness about environmental preservation. We integrate environmental considerations into our decision-making processes and strive to find sustainable solutions in the planning, development, and management of our operational sites.

We regularly monitor environmental regulations and laws and work towards compliance. Additionally, we conduct ongoing measurement and control of the environmental impact of our operations, to strive for continuous improvement. We focus on all environmental aspects of our activities, and manage them responsibly, according to a sustainable approach:

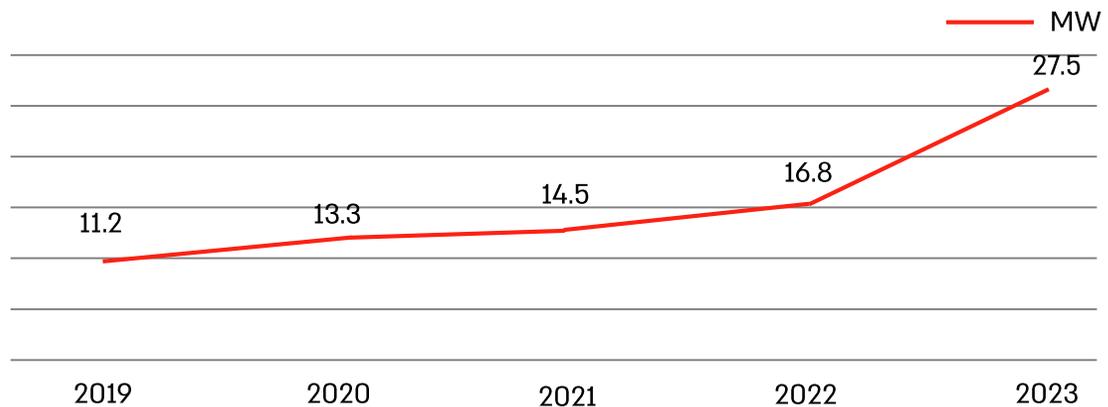
- **Resource consumption management:** Commitment to optimizing the consumption of energy and water resources required for the Group's activities, in order to reduce negative impacts on the environment, and on climate change in particular.
- **Environmental and biodiversity protection:** Taking proactive measures to protect the environment, wildlife, and vegetation during the planning, development, and construction of new properties, as well as during the operation and maintenance of existing properties.
- **Waste management:** Reducing the amount of waste sent to landfills by prioritizing recycling or recovery solutions. Waste disposal is carried out responsibly and safely by authorized suppliers to prevent environmental hazards.
- **Environmental risks:** Searching for and identifying potential risks arising from our activities, both short-term and long-term, to minimize our negative impact on the environment.
- **Supply chain:** Prioritizing suppliers, subcontractors, and business partners who share our environmental policy values. We manage the Group's environmental aspects transparently and in full cooperation with employees and stakeholders. The Group also works to uphold these values with tenants in our shopping centers by providing guidelines for store operations to reduce environmental impacts and promoting joint projects to benefit the environment.

This policy is implemented throughout the project life cycle, through collaboration and management of various environmental aspects by the VP of Management, Operations, and Marketing, the VP of Construction, the VP of Energy, and the ESG Manager.

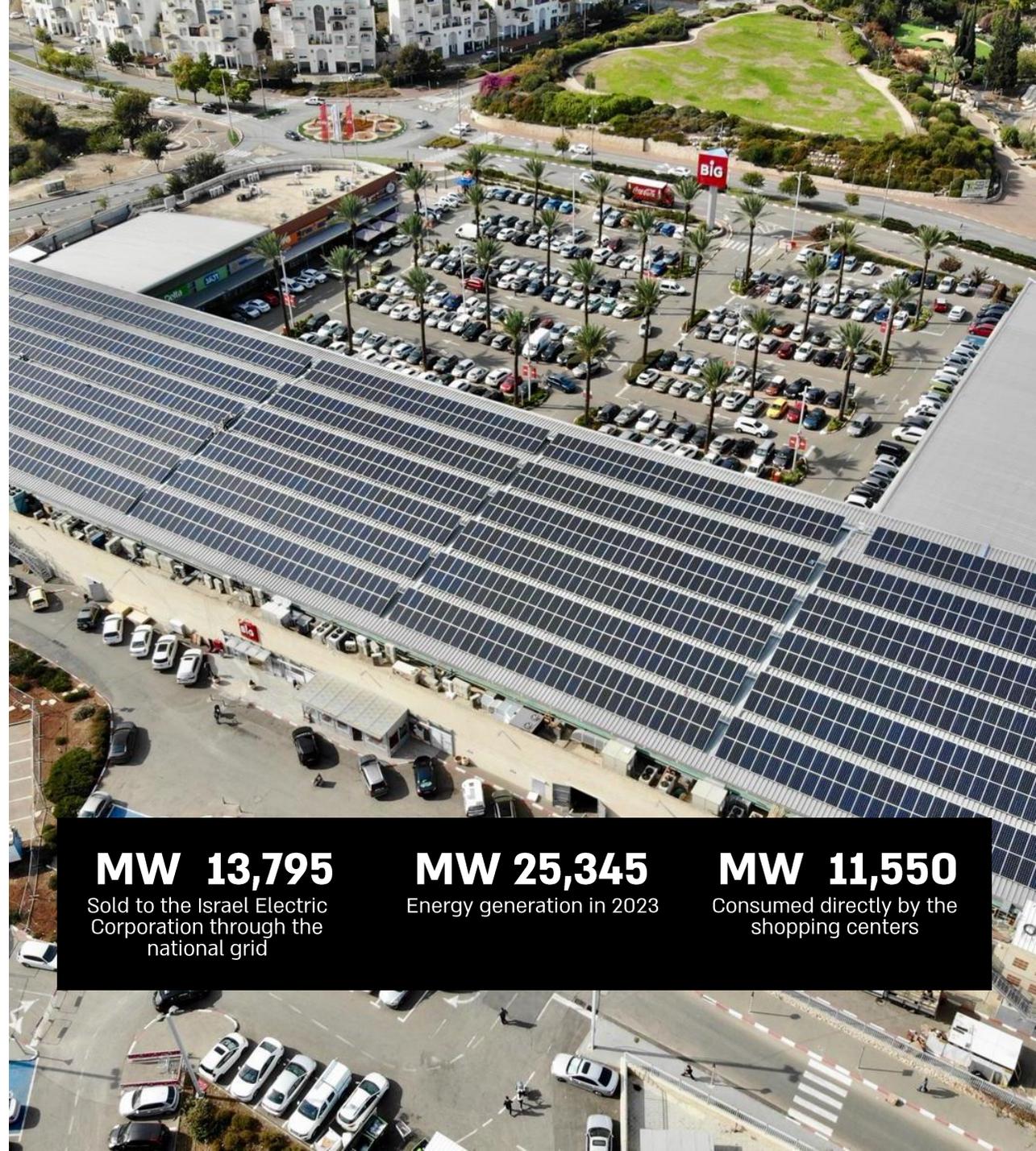
Renewable energy in Israel

In 2019, recognizing the environmental and economic potential of renewable energy and the opportunity to promote energy efficiency inherent in its extensive operations in Israel, the Company made a decision to install solar-energy systems on the rooftops of its properties. These systems produced a total of 25,345 MW in solar energy in 2023. 46% of the energy is consumed directly by the shopping centers, and 54% is sold to the Israel Electric Corporation through the national grid.

Capacity of solar-energy systems installed at shopping centers, 2019-2023



From 2019, when we began installing these systems, to 2023, the generated capacity increased by 66%.



MW 13,795

Sold to the Israel Electric Corporation through the national grid

MW 25,345

Energy generation in 2023

MW 11,550

Consumed directly by the shopping centers

Energy consumption

BIG aims to manage the energy consumption in its properties responsibly and efficiently. Energy efficiency and transitioning to low-carbon and/or renewable energy sources are integral parts of the Company's sustainability approach, to reduce its carbon footprint and save on operational costs. Below are the consumption data for 2023:

Energy Type (units)	Quantity in 2023	Notes
Total natural gas consumption of properties (m ³)	128,353	Heating (Europe, without tenants' consumption)
Total LPG consumption of properties (kg)	233,872	Europe
Total gasoline consumption of properties (liter)	6,143	Operational vehicles (Europe and USA) Includes consumption from PV, without tenants' consumption (Europe, USA, and Israel)
Total fuel oil consumption of properties (kg)	36,400	Heating (Europe, without tenants' consumption)
Total electricity consumption of properties (MWh)	39,375	
Total energy consumption from local grid/private energy supplier (MWh)	33,465	
Total diesel consumption for transportation (liter)	444	
Total gasoline consumption for transportation (liter)	530,992	
Total diesel consumption for generators (liter)	8,247	

Energy savings by tenants

The Company also works towards indirect energy savings by tenants in its centers. As part of this effort, the Company recommends, through the technical specifications attached to its lease agreements with tenants, the installation of inverter-type air-conditioning systems with an A energy rating. Additionally, the Company instructs its tenants to maintain a controlled temperature of 23°C throughout the year.

Greenhouse-gas emissions

Most greenhouse-gas emissions in the income-generating real estate sector stem from energy consumption for the operation of buildings, including heating, cooling, lighting, and the operation of various other systems. At BIG, the majority of energy consumption results from tenants' activities in the shopping centers and is not directly controlled by the Company. However, to reduce its environmental impact, the Company has begun calculating and monitoring the carbon footprint of its activities – including Scope 3 emissions, which primarily arise from tenants' energy consumption.

The Company's carbon footprint calculation takes into account its activities in Israel, Europe, and the United States.

The Company's carbon footprint was measured according to the globally accepted methodology of the GHG Protocol, with the assistance of an environmental consulting firm. Distribution of the carbon footprint by scope:

Scope 1 – 2,428 tCO ₂ e	Scope 2 (market-based) – 19,146 tCO ₂ e
Scope 2 (location-based) – 19,926 tCO ₂ e	Scope 1+2 – 21,574 tCO ₂ e
Scope 3 – 111,707tCO ₂ e	Total carbon footprint – 133,281 tCO ₂ e

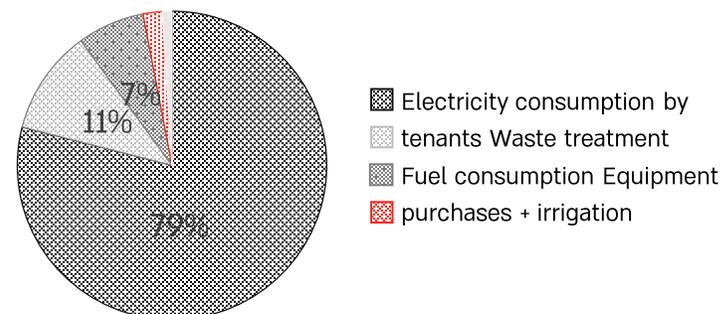
Below is a detailed description of the distribution of the carbon footprint by scope:

Scope 1: The majority of the Company's direct emissions from operations originate from the leakage of refrigerant gases from cooling systems owned by the Company and installed in its properties (58% of scope 1 emissions), and from the use of natural gas and LPG for building heating (36% of scope 1 emissions). The remaining emissions in Scope 1 are attributed to fuel combustion for various operational needs (vehicles and generators).

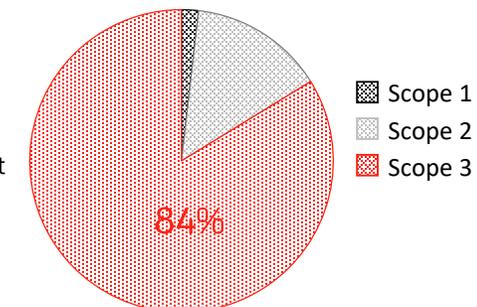
Scope 2: Scope 2 emissions originate from electricity consumption in the common areas of the Company's properties – areas under the Company's direct operational control. The electricity sources for the Company's properties include renewable sources (direct consumption from solar panels installed on the properties' roofs), low-carbon sources (private electricity suppliers generating energy using natural gas and combined cycle/cogeneration technologies), and energy sources from regional supply networks. In Israel, 80% of BIG's sites (including the Company's headquarters) consume electricity from a private low-carbon energy supplier. 28% of the energy consumption of the centers in Israel (excluding tenant consumption) comes from renewable energy sources.

Scope 3: The majority of the Company's indirect emissions originate from tenants' electricity consumption in the properties (79%). Additional emissions in this scope come from tenant activities related to waste disposal and treatment (11%) and fuel combustion (7%). The emissions in this scope from activities under the Company's full operational control originate from equipment procurement and landscaping activities (2%) and from employee transportation (1%).

Distribution of emission sources



Distribution of total emissions by scope (Tons of CO₂ equivalent)



GHG emission reduction

At the end of 2023, the Company began an in-depth measurement process, examining all properties it owns and directly operates. This process was completed in 2024 with the development of a strategic plan for managing greenhouse-gas emissions in the organization, setting long-term reduction targets, and preparing plans to meet these targets.

BIG's management set an ambitious emission reduction target for Scopes 1+2, based on the guidelines of the Science Based Target Initiative (SBTi) and in accordance with the Paris Agreement, in order to join the effort to limit global warming to 1.5°C.

**BIG is committed to reducing its
Scope 1 and 2 emissions by 42%**

The total reduction is 9,061 tCO₂e, from the
baseline year 2023 to 2030





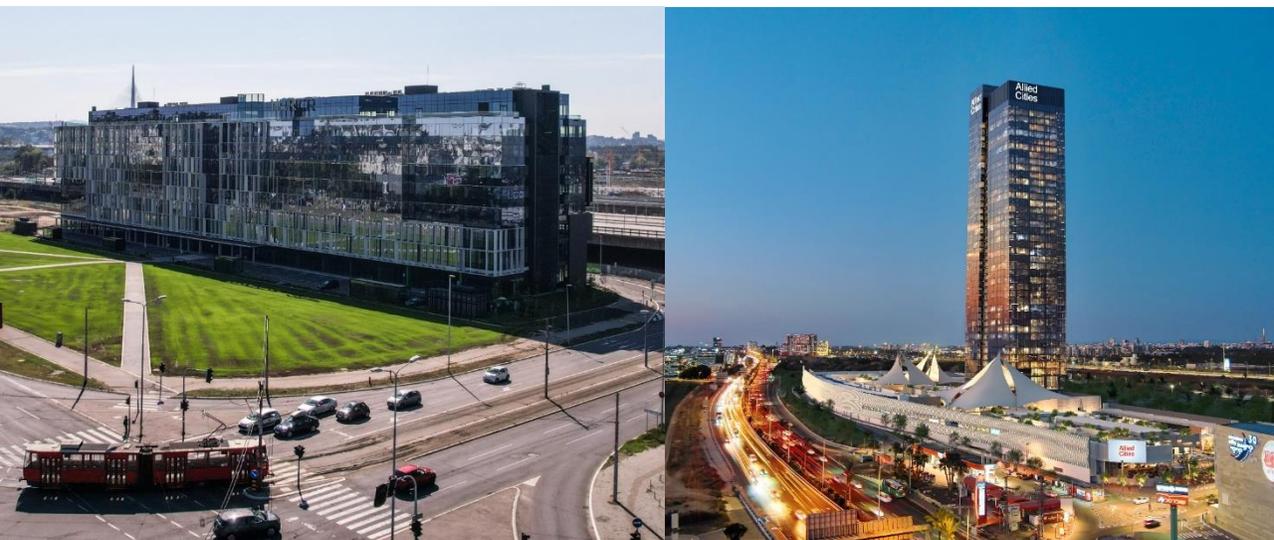
3 // Environment // Green building



Planning and construction

BIG relies on green building standards to reduce its environmental footprint, from the planning and construction stage of its projects. The Company consults with external environmental advisors and green building consultants during the construction processes of all of its properties.

The Company's new shopping centers are built in accordance with the Israeli green building standard SI 5281; several of the centers are intended to receive or already have LEED certification, and some are planned and constructed according to BREEAM GOLD standards.



BIG – Glilot offices

Status	In certification process, LEED Platinum
Expected certification date	2025 (concurrent with occupancy)
Developers	BIG and Hof Hachelet
Location	Ramat Hasharon, Israel
Total project size	80,000 sq m gross office space, 43,000 sq m gross retail space
Number of floors	45
Parking	5 underground parking levels

BIG Serbia – NCR offices

Status	Certification received, LEED Platinum
Certification date	2022
Developers	BIG CEE & Merin
Location	Belgrade, Serbia
Total project size	35,000 sq m gross office space, 4,000 sq m gross retail space
Number of floors	7
Parking	2 underground parking levels

Innovation in the green energy sector

Storage system

With a strategic vision for future energy independence, the Company installed a 372 kilowatt storage system at the BIG center in Yokneam. This pilot project will allow us to study and optimize energy production and consumption at the property, while integrating the electricity grid, solar-energy systems, and vehicle charging. In the future, the Company intends to install storage systems at all of its properties that will enable efficient and economical energy management without reliance on the electricity grid, while maintaining energy continuity and local resilience in national emergency situations.

Solar cladding (BIPV) in Ashdod

As part of the Company's commitment to emission reduction and innovation, various electricity generation technologies are being examined for integration. In the BIG Fashion Ashdod project, the Company decided to install BIPV (building integrated-photovoltaics) facades for two adjacent buildings, covering about 2,000 square meters. The facades are part of the building's cladding, while serving as solar panels for renewable energy production. Gold-colored panels with a matte finish were chosen to complement the buildings' architectural design. The facades are tilted backward slightly, by a few degrees, to provide shade for people walking on the sidewalk below and to create a better angle for radiation absorption. In total, around 1,000 panels will be installed, each 2 meters wide and 1 meter long.

We aspire to continue to be at the forefront of the implementation of BIPV technology by applying it at the Company's future properties, including office towers, shopping centers, and assisted-living facilities.



Environmental aspects in the acquisition process of new properties

When acquiring new properties, BIG is careful to incorporate the examination of relevant environmental issues into the due-diligence process, to maintain sustainable planning. This examination allows for risk and opportunity management and enables the Company to meet its ambitious emission reduction targets. The due-diligence process addresses the following topics, among others:

1. Examination of the building's compliance with energy standards – Energy Performance Certificate
2. Examination of the property's energy sources
3. Examination of installed measures to reduce energy consumption (motion sensors, temperature gauges, windows, etc.)
4. Examination of cooling gases used in installed systems
5. Examination of rainwater drainage routes and infrastructure
6. Examination of the presence of water consumption reduction systems
7. Examination of vegetation in the area and its water consumption regime
8. Examination of the presence of asbestos at the property
9. Examination of existing waste disposal infrastructure and arrangements at the property
10. Examination of embodied carbon content in the acquired property
11. Examination of past sources and/or events that caused soil contamination
12. Examination of aspects relevant to biodiversity damage
13. Examination of risks arising from natural disasters in the area

Biodiversity conservation

Prior to the start of construction of its center in Gedera, the Company relocated bulbs of plants categorized as protected natural values to a protected area. The relocation was carried out in cooperation with and under the permission of the Nature and Parks Authority.

Water and wastewater

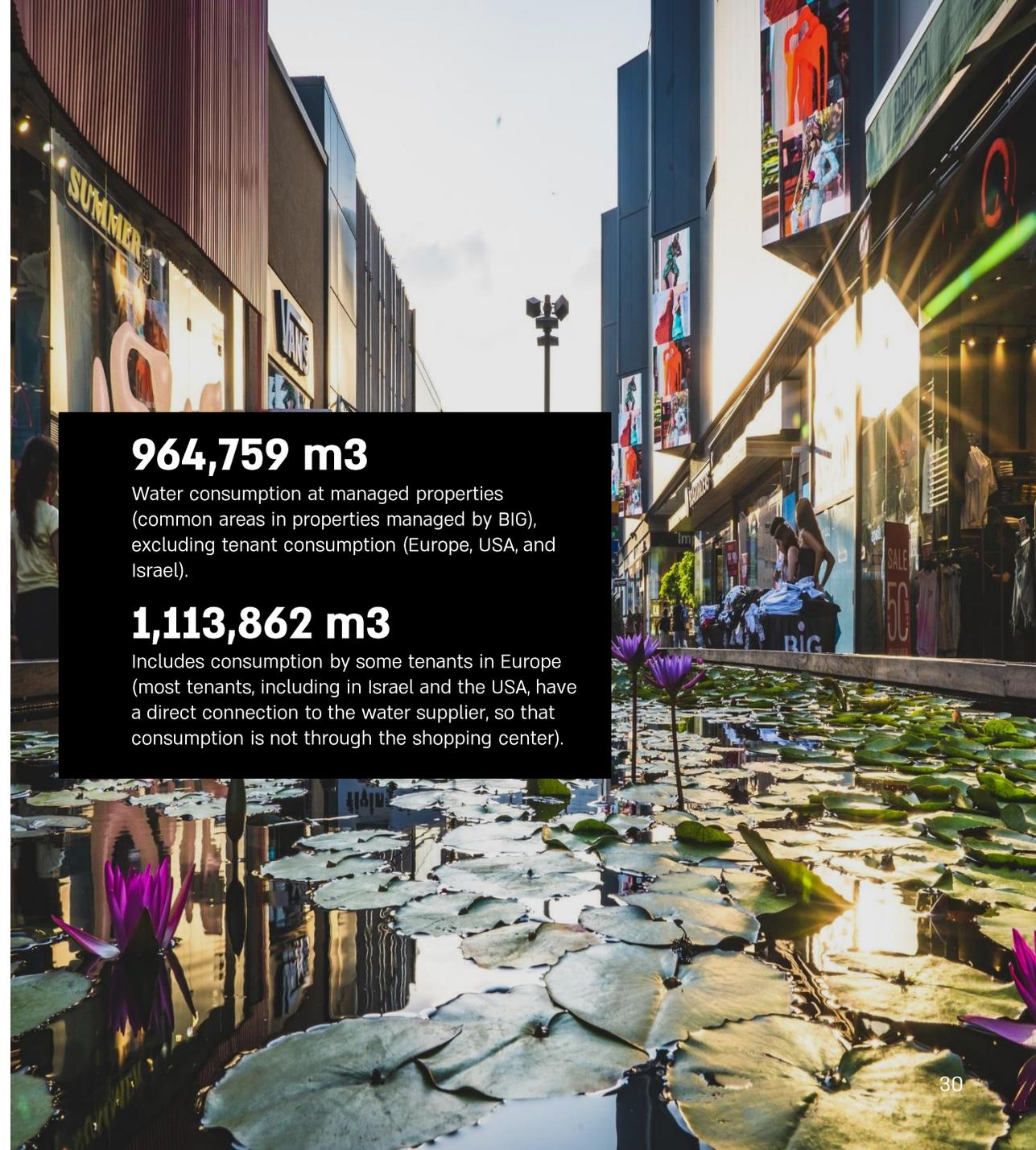
BIG is committed to responsibly managing its water use and wastewater discharge. The Company places great importance on water conservation and the reduction of water consumption at its properties, both for operational efficiency reasons and due to its commitment to environmental sustainability.

Water consumption at the Company's shopping centers and offices is mainly for sanitary purposes, with a small portion of water used for gardening. Irrigation at the centers in Israel is done only through drip systems, to save water. Additionally, several centers in Israel have leak detection systems.

Soil and water pollution

The Company takes the following measures to minimize the risk of soil, groundwater, and water source contamination:

- All diesel tanks owned by the Company's properties (for emergency generators) are built-in above-ground tanks that undergo periodic inspections, including for fault detection and prevention of diesel leakage and soil contamination.
- Businesses that sell food are required, through a technical specification attached to their contract, to direct kitchen wastewater to grease separators for pre-treatment and prevention of damage to the public sewage treatment system. At most centers, the emptying of grease separators is BIG's responsibility and is performed proactively on a quarterly basis to prevent oil leakage and contamination of public sewage systems.



964,759 m³

Water consumption at managed properties (common areas in properties managed by BIG), excluding tenant consumption (Europe, USA, and Israel).

1,113,862 m³

Includes consumption by some tenants in Europe (most tenants, including in Israel and the USA, have a direct connection to the water supplier, so that consumption is not through the shopping center).

Waste management and recycling

BIG works to minimize waste and increase its waste recycling rates, in recognition of the importance of waste treatment as an environmental and community issue. The Company's approach to waste reduction and recycling reflects BIG's commitment to being a responsible consumer of resources.

In all of the Company's commercial centers, cardboard and plastic waste, which are major components of the waste generated at the centers, are separated from the general waste stream and sent for recycling. At most of the Company's properties, wherever possible, waste is collected in containers that serve as compactors, allowing efficient disposal at lower frequencies. The waste compactors undergo regular maintenance and cleaning at least once a year to avoid leakage of leachates into the environment and contamination.



42

Tons of plastic waste sent for recycling



91k

Tons of cardboard waste sent for recycling



0.47

Tons of electronic waste sent for recycling



140

Tons of construction waste sent for recycling

Lighting in shopping centers

By 2020, BIG had replaced the lighting at all of its shopping centers (both in public common areas and in outdoor signs) with energy-efficient LED lighting.

The Company's enclosed shopping centers have building control systems to regulate temperature and lighting, ensuring efficient use of air-conditioning systems. Where possible, skylight windows have been installed in building ceilings, to utilize sunlight for illumination and save energy.

Outdoor signs at the shopping centers have an automatic on/off mechanism, according to daylight hours, to save energy when the centers are not active.

Electromagnetic radiation

The issue of electromagnetic radiation is relevant to income-producing real-estate companies due to the electronic equipment and cellular communications present at their properties. As part of its concern for the health and safety of employees, tenants, and visitors to its properties, BIG works to minimize exposure to electromagnetic radiation, to the extent possible, in accordance with accepted regulatory and scientific guidelines.

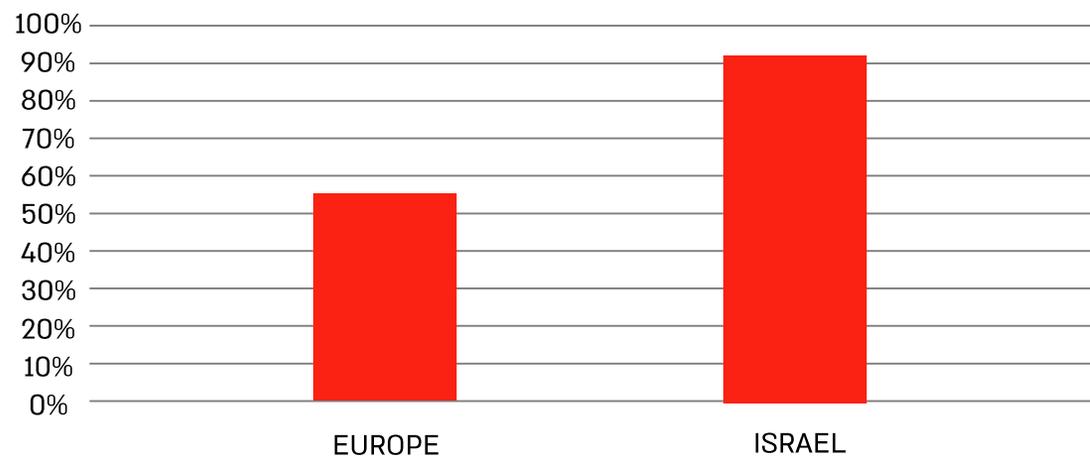
At the Company's properties in Israel, transformer rooms are the main sources of electromagnetic radiation. These rooms are inspected after the construction of the shopping center is completed, to examine the need for a non-ionizing radiation permit from the Ministry of Environmental Protection. As of the date of this report, none of the Company's properties have been found to require a permit.

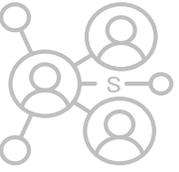


Electric vehicle infrastructure

As a company that aims to reduce its environmental impacts, particularly its effects on climate change, in addition to its activities in the renewable energy market, BIG also sees importance in providing a platform for sustainable transportation infrastructures. The Company has therefore installed 178 charging stations for electric vehicles (operated by an external company) at its shopping centers in Israel. As of the end of 2023, 22 out of 24 centers in Israel have charging stations, and the Company plans to install stations at all of its centers in the future. In Europe, there are charging stations at 9 out of 16 properties, and additional stations will be installed in the future according to the development of the field and infrastructure in the area.

Percentage of centers with electric vehicle parking





4 // Social

Social approach

BIG attributes its business success primarily to its human capital and the organizational culture it carefully cultivates by creating a fair, diverse, and physically and emotionally safe work environment.

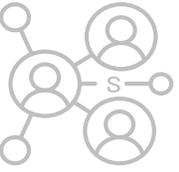
The Company sees itself as an integral part of the social fabric wherever it operates. Its involvement in local communities serves as an important anchor and an opportunity to promote various social values and initiatives.

BIG prioritizes creating an environment for its customers – the tenants in its shopping centers – that fosters prosperity, satisfaction, and personal and business success. For consumers - visitors in the shopping centers, the Company strives to offer an optimal, diverse shopping and leisure experience, tailored to different needs and characteristics, while maintaining a healthy and safe environment.

Social organizations constitute our most significant arm for active engagement in the communities to which we belong, offering the ability to influence, strengthen, and create a better reality and growth opportunities for many.



**An integral part of
the social fabric
wherever we operate**



4 // Social // Human capital

Employment

Employment data

As of December 31, 2023, BIG employs 160 workers across three operational centers: 96 in Israel, 58 in Serbia, and 6 in Poland. 55% of all Company employees are women. 45% of all Company employees are men.

The majority of BIG employees work in Israel, comprising 60% of the Company's total workforce. Of the 96 employees in Israel, 48 are women and 48 are men. Three of the employees come from population groups underrepresented in the Israeli job market.

Employment equality

BIG aims to promote equal opportunities by recruiting women for management positions and actively seeks leading women candidates for the roles of managers and deputies at operational sites. In 2022-2023, 15 new employees were recruited for management positions, of which 10 women and 5 men. 67% of management recruits between 2022-2023 were women.

Age diversity and employee retention

The Company prides itself on its ability to retain employees, demonstrating diversity in the ages of employees it recruits and retains. In 2023, the company employed 7 workers under the age of 30, 59 workers aged 31-50, and 30 workers over the age of 50. 31% of the company's employees are above 50.

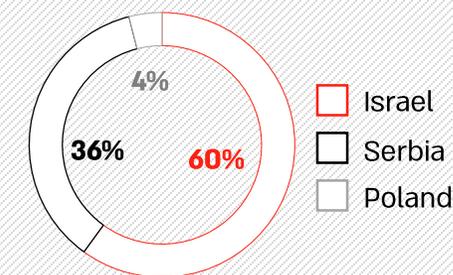
Geographical diversity

The Company employs 32 workers residing in northern towns, 8 from southern towns, and 56 from central Israel. 42% of the Company's employees reside in geographically peripheral regions.

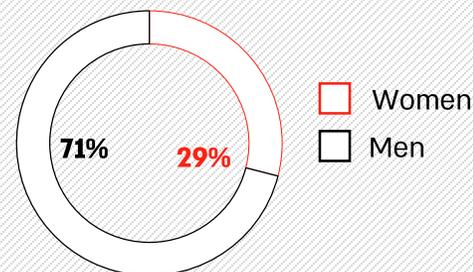
Total employees



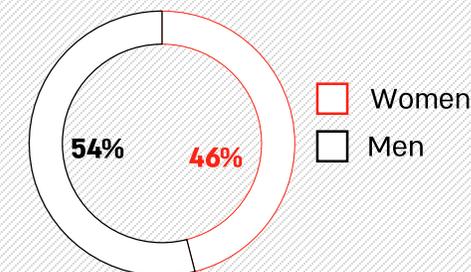
Employment centers



Management and senior management – Israel



Total employees – Israel

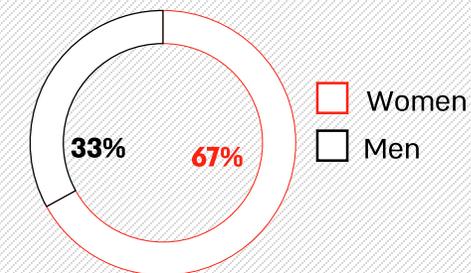


Employee age – Israel



Employee recruitment - Israel

2022-2023



Employee Well-being

BIG's employees are our most important resource; accordingly, we actively work to create a pleasant, healthy, productive, and non-discriminatory work environment for them.

BIG advocates a management method that encourages independent thinking and action, placing the weight of decision-making directly in the hands of the employee, while providing trust and support.

The Company believes in the importance of balancing work time and family time, and offers employees flexible working hours where possible. We believe that smart and balanced time management by the employee increases work productivity.

Employment terms

The Company rigorously protects employee rights in accordance with the law, anchoring these rights in its employment agreements. Employee compensation is calculated fairly, based on skills, performance, and goal achievement. We create economic incentives for employees that strengthen their sense of engagement, personal success, and company success. Our staff is employed through individual contracts, with no application of collective agreements of any kind.

In the vast majority of cases, the salary paid by BIG exceeds the minimum wage. Most Company employees are entitled to 14 monthly salaries per year and share the Company's success by receiving options and other securities, allowing them to benefit from increases in the Company's stock value.

BIG has acted and continues to act to preserve the job security of its employees. Despite the ongoing war, none of our employees – without exception – were put on unpaid leave.

Non-discrimination and harassment prevention

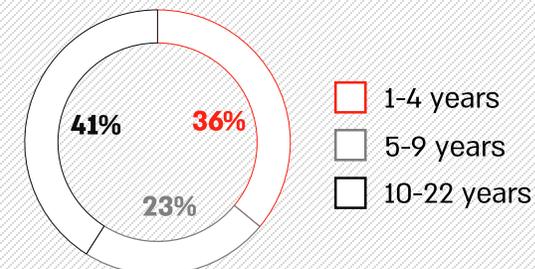
The Group works to prevent and immediately eradicate any sign of offensive statements or threatening behavior on religious, racial, ethnic, or sexual grounds. Group employees are required to prevent sexual harassment and report personally, and optionally anonymously, to the person in charge of the prevention of sexual harassment incidents in the Group. All Company employees have undergone training on this subject, and we ensure that this training is renewed annually.

The Group has appointed a lawyer from the Company's legal department as the person responsible for preventing sexual harassment and retaliation, who has undergone special training to fulfill this role. Every employee can contact the appointed supervisor on any matter, even anonymously, via an electronic inquiry portal.

Employment tenure

The average tenure of the employees at the Company is a testament to the satisfaction and stability its employment conditions provide. In 2023, the average tenure per employee stood at 8.6 years, with 41% of employees having been with the Company for over a decade.

Breakdown of employee tenure



Strengthening relationships with our employees

BIG believes that employee well-being contributes to the organizational climate and improves performance and employee retention, and thus advances the Company towards its goals and objectives. Motivational, emotional, and values-based components are essential to fulfilling the organization's goals and vision. Accordingly, the Company invests significant resources and efforts in strengthening the sense of cohesion and interpersonal connections among its employees.

Company trips – Once a year, Company employees go on a traditional bonding trip, alternating between domestic and international destinations. Additionally, the company organizes joint events around significant dates throughout the year and gives gifts for holidays, birthdays, and births.

Teambuilding activities and workshops – The Company conducts teambuilding and experiential workshops for employees, including enrichment content, hands-on experiences, and shared recreational activities. The activities are held in conjunction with Company events such as end-of-year summaries, holiday toasts, and more.

Family events – Every summer, the Company organizes Family Day, a full day of activities and joyful celebration for all BIG employees and their families. In addition, once a year, the Company holds Sivan's Walk – a family walk in the Peace Valley near BIG Yokneam, where we established an observatory in memory of Sivan Cohen, a dear and beloved employee who passed away prematurely due to illness.

Sports events – The Company actively participates in two major sports events annually: the Mountain to Valley Race and the Tel Aviv Marathon. All Company employees are invited to take part in these events.

Volunteering – The volunteering activities of the Company's employees are directly related to the company's social involvement program, and provide an opportunity for employees to get involved in social action through the organizations we support.

In 2023, two volunteering days were held for all employees, at a boarding school for at-risk youth and at the sorting and distribution center of Leket Israel.

Employee volunteering in 2023	Total hours	Number of participants	
Volunteer day at Kedma Youth	9	90	810
Village Volunteer day at Leket Israel	4	95	385
Total volunteer hours			1190



Occupational health and safety

BIG works to maintain the health and safety of its employees, caring for all aspects of both their physical and emotional safety and health. To achieve this goal, the Company emphasizes physical and operational aspects in the workplace, work culture, and the well-being of the individual employee.

Raising awareness, early detection, and assistance

The Company pays its employees for sick days, as well as for absences due to children's illnesses, from day one. In cases of serious illness, the Company provides a support package that includes continued employment, assistance in financing treatment, if needed, and a gradual and controlled return to work according to the employee's individual needs.

To prevent medical issues and encourage early detection, every employee over the age of 50 is entitled to annual health screening tests. Women at the Company receive training to raise awareness about breast cancer and the importance of early detection. The Company offers first-aid instruction through MADA and has installed defibrillators in its offices and shopping centers, with training on the use of the devices provided to employees.

Work safety

The Company emphasizes office ergonomics focused on adapting the office environment to the employees: quality orthopedic chairs, effective lighting, large screens, and a fresh-air system.

The Company also ensures the safety of its employees when visiting construction sites: preliminary safety instruction, performed by the contractor's project manager, is required before any visit by the Company's employees to any of its construction sites, and employees are required to use safety equipment, such as a reflective vest and helmet, throughout the site visit.

In 2023, there were no safety incidents of employees as part of their employment at the Company.

Healthy lifestyles

As part of its efforts to promote employees' health, BIG has an established program dedicated to promoting and maintaining the health and safety of Company employees, overseen by the Human Resources Manager.

The Company encourages its employees to engage in physical exercise and provides interested employees with a gym membership of their choice, with a requirement for attendance a minimum of twice a week. In addition, headquarters employees are invited to participate in weekly yoga classes, with exercises adapted for prolonged computer work and a positive emotional impact.

The Company encourages healthy nutrition, and provides a light and healthy breakfast in its offices every morning, based mainly on fresh vegetables.



Training and development of employees

The Company's management sees the development of human capital as a vital component in fulfilling its business strategy, and promotes continuous improvement in the professional and personal skills of the Company's employees and managers.

BIG finds great value in employing trained and experienced workers, and therefore prioritizes employee retention. As part of this effort, the Company strives to provide employees with learning experiences for their personal and professional development. All Company employees receive annual personal feedback from their direct managers. The Company also offers seminar and enrichment days for headquarters employees and center managers, professional training, and participation in various conferences.

Training, seminars, and enrichment days received by Company employees in Israel in 2023

	Total hours	Participants	
Seminar day –managers	9	54	486
Seminar day –headquarters	8	57	456
Shopping Centers Conference	20	27	540
Enrichment day for women employees	4	45	180
Year-end summary and enrichment	2	98	196
Operations and Maintenance Managers	16	2	32
	Total annual hours of training		1,860
	Average annual training hours per employee		19.68

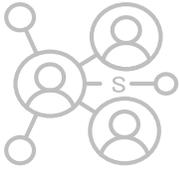
In addition, specific training and studies were conducted as part of career-building programs:

- MBA studies
- Accounting studies
- Professional courses on financial statement analysis for the legal department
- Accessibility training for the accessibility officer
- A professional course on urban planning for the licensing and project management department
- Seminars on environmental and climate issues for the VP of Energy and ESG Manager



Liav Guetta Bresano, VP of Bat Yam Mall

Liav began her role as an office manager at Bat Yam Mall in February 2021 and was promoted to the position of VP of the mall in June 2022.



4 // Social // Human capital // Tenants and customers

BIG strives to create the best shopping, entertainment, and leisure experience for a wide range of audiences.

The Company is attuned to the changing needs of its customers and works to create a dynamic, diverse, and pleasant environment for them while they visit our shopping centers. BIG achieves this through carefully considered selection of the locations for its centers, along with significant investment in planning, construction, and operation of the centers, as well as in maintaining optimal relationships with tenants and communities.

+700

Tenants

113M

Customers in shopping centers per year

100%

Store occupancy in active shopping centers

+2000

Contractual Engagements

Relationships with tenants

Store tenants in BIG's shopping centers are among the main stakeholders for BIG. The Group views its tenants as partners in success; accordingly, it takes care to maintain beneficial and fair relationships with its tenants and works to meet their needs and promote their business success. The Company actively works to ensure maximum occupancy in its properties and to ensure that tenants have all the tools necessary for success in its shopping centers.

In the NPS (Net Promoter Score) index, which represents the level of tenant loyalty to the Group, the Company received a score of 88.8 out of 100, as shown by a service quality survey conducted in Israel among store managers of 150 tenants.

The Company has operational mechanisms designed to ensure that tenants have optimal conditions for success in its shopping centers:

Payment model – In BIG's collection mechanism, tenants pay either a percentage of their revenue or a set amount of rent, whichever is higher. In other words, the rent serves as a basis for payment, and if the tenant is successful, BIG shares its success. This creates reciprocity that generates commitment to act as much as possible for the success of the store or brand.

Load report mechanism – Allows real-time monitoring of the performance of the tenants and the ability to identify signs of weakening or difficulty of a particular tenant. Load measurement is done on an ongoing basis and provides the Company and employees responsible for managing the centers with an accurate picture of the tenants' condition. If a high revenue load is identified (i.e., a high ratio of rent and management fees paid by a tenant to its revenue), a clarification process is carried out to understand the reason (demand, product quality, store manager attentiveness, competition, etc.). After identifying the reasons for the load, the Company acts to assist the tenant using the tools at its disposal (reliefs, marketing plans, etc.).

Rent relief during crisis – During the COVID-19 period, and also during the Iron Swords War, the Company actively assisted its tenants through rent relief/cancellation. In 2023, NIS 23 million was invested in assisting tenants during the war, as part of a cash-flow relief mechanism designed to maintain their business stability.

Diverse store mix mechanism – The Company maintains a diverse store mix that meets the demands and needs of visiting customers, in terms of both store types and a variety of different brands.

Marketing activity mechanism – BIG's marketing system works to drive customer traffic to stores through advertising, initiating events and fairs at the shopping centers, and launching concentrated sales. For example, once a year, the Company holds the BIG Sale event, aimed at encouraging "blue and white" (local Israeli) purchases at BIG complexes. In addition, the Company promotes various tenants on the digital media pages it operates and through active campaigns at its shopping centers.

23M NIS

Financial aid to tenants
due to the war

88.8

NPS rating among store
managers of 150 tenants

Social projects in collaboration with tenants

The Company promotes numerous projects in collaboration with tenants in its shopping centers, and during 2022-2023 initiated and led activities with social value in various areas:

Encouraging BIG customers to volunteer

BIG has set the goal of assisting dozens of non-profit organizations in the process of locating and recruiting volunteers, with the aim of strengthening the values of giving and solidarity in Israeli society. As part of a project established in collaboration with the Wish Well initiative, hundreds of thousands of BIG's customers are invited throughout the year to a dedicated volunteering website, where they can sign up for volunteering activities. In return, customers receive a shopping benefit, granted to them by leading brands in Israel that have joined the project.

37 brands joined the project and provided benefits **1,457 thousand people** visited the website and were exposed to 28 non-profit organizations **1,079 new volunteers** joined the pool of volunteers

Promoting gender equality

In 2023, all fashion stores in the Group's shopping centers in Israel took part in a project to promote gender equality, which included collaboration with the organization Shavot (Equal) during Israeli Girl Week. As part of the project, stickers were placed in dressing rooms with the text: "Scan the code and see yourself as you really are." Girls were invited to stand in a "power pose" and scan a QR code to see an image of themselves as Wonder Woman.

The initiative was accompanied by activities that included meetings of thousands of girls with hundreds of leading and inspiring women, aiming to encourage the girls to feel that they can do anything.



A tailored shopping experience

BIG's worldview is based on the belief that all people are equal, and accordingly, the Company works to create an environment where every person of any age, gender, religion, nationality, physical limitation, disability, or neurodiversity feels a sense of belonging.

Beyond appointing an accessibility officer, conducting training to familiarize staff with accessibility, creating awareness, and providing practical tools for accessible service, BIG maintains a clear policy under which it actively works to create a shopping environment and shopping experience tailored to a wide range of audiences.

Quiet Centers Project

The Company has an innovative and groundbreaking project, launched in 2020 and operating continuously since, allowing customers with neurodivergence and sensory regulation difficulties, and children and adults on the autism spectrum, to access an adapted and reduced-stimulus shopping environment.

On the first Sunday of every month, all stores in BIG's shopping centers adjust and reduce stimuli by turning off the announcement system, music, and screens in stores, dimming lighting, and reducing beeps. This way, adults and children with sensory regulation difficulties have the opportunity to enjoy an adapted shopping experience.

Beyond its essential goal, the project is also a testament to the Company's unique relationship with its main stakeholders – the tenants in its shopping centers. The fact that all stores consistently cooperate with the project is evidence of their connection to the social values that BIG leads and their sense that they are a significant part of its success.



Efrat Morag

Huge kudos to BIG!!! For the thoughtfulness, the sensitivity, and the managerial and financial implementation, with everything that entails. A touching step towards community inclusion. Thanks from the ❤️



Anabel Gantz

As the mother of a child with sensory modulation issues, sometimes it's really difficult for me to take her out to crowded places like this, because of the loud music, strong lighting, people shouting, etc. Definitely a welcome initiative. Thank you

Attentive Centers Project

The Company promotes the ability of the deaf population to take part in an adapted shopping experience through an accessibility application. The activity has been ongoing since March 2022, through an application by Sign Now, which allows a deaf person visiting a store at a shopping center to start a real-time video call with a sign-language interpreter who helps them hold a conversation with the salesperson.

The service is provided to customers at no cost and does not require prior registration or identification. To encourage familiarity and use of the service, groups from the deaf community were invited to training and guidance days on the use of the system. Additionally, an instructional video was produced for store staff to familiarize themselves with the service and know how to provide an appropriate response and assistance.

728 calls were received on the application during 2022-2023
7.6 minutes – average duration of each call



Customer health and safety

BIG places great importance on the health and safety of its customers. The Company has appointed the VP of Operations to be responsible for this issue, and it ensures that all facilities and buildings it operates undergo safety inspections as required by law. As part of building maintenance and as a requirement under its insurance policy, the Company has several established work processes for ongoing system maintenance, such as checking fire extinguishing systems, emergency generator tests, cleaning and calibrating cameras, elevator functionality checks by a certified professional, irrigation system checks, and more.

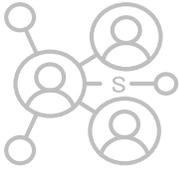
100% of the Company's facilities have undergone comprehensive functionality checks.

No safety incidents or health events have occurred as a result of deficiencies in the operations of properties.

The contact details of each shopping center's manager are clearly displayed at the center and on the center's website, so that they can be contacted regarding any malfunction or problem.

The Company has an accessibility officer and conducts training to familiarize employees with the field of accessibility, raise awareness, and provide practical tools for accessible service. The Company's website is also accessible, in accordance with legal requirements.





4 // Social // Human capital // Suppliers

Relationships with suppliers

BIG maintains long-term relationships with its suppliers based on mutual trust and responsibility. When engaging with suppliers, the Group examines parameters including adherence to legal requirements, quality, service, cost-effectiveness, transparency, and integrity.

In a satisfaction survey conducted by the Company in Israel in 2023, the overall satisfaction of suppliers was found to be very high, with a satisfaction rate of 90%.

High satisfaction rates were recorded in all parameters related to interaction with managers at BIG, especially regarding the professionalism, availability, and courtesy of the managers. Loyalty and recommendation rates were also very high, with approximately 96% of suppliers stating that they would continue to work with BIG and around 93% recommending the Company. Most suppliers indicated that they noticed BIG's effort to solve problems that arise during work, and that interactions with the Company were at the highest professional level in the market.

The main goals that BIG has set on this topic include improving and streamlining the payment process, improving availability, and increasing transparency and flexibility in dealings with suppliers.

Significant suppliers

Employment agencies and contract workers constitute significant suppliers in the Company's operations, and accordingly, the Company operates relevant mechanisms specifically for them.

In its dealings with employment agencies, the Group ensures that all legal rights of contract workers are maintained by their direct employer through internal control mechanisms and external guidance. The Group conducts ongoing monitoring to ensure that the contract workers it employs through these companies are employed in accordance with legal requirements.

Contract workers at construction sites

BIG works to ensure that the safety of contract workers at construction sites is maximally maintained by the executing contractor. The Company's VP of Construction and the team of project managers are responsible for maintaining contact with construction contractors, while being careful in the contracting process to ensure that the contractor meets all of the strictest safety requirements in accordance with the law, as the responsible party on site. The Company monitors work accidents at construction sites and thereby learns and streamlines the work process for contractors.

96%

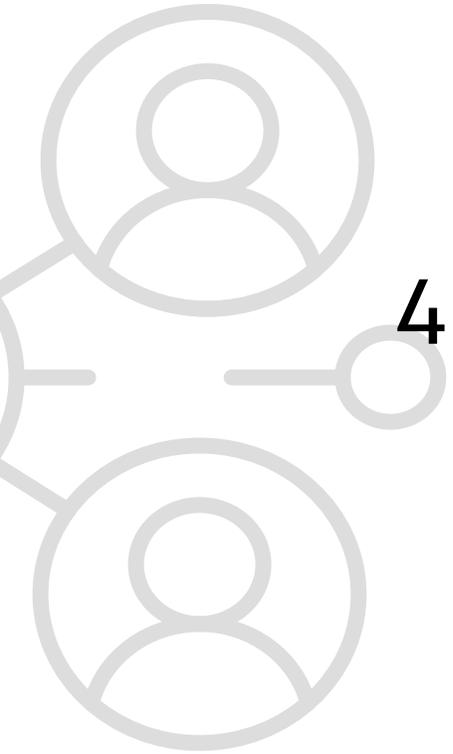
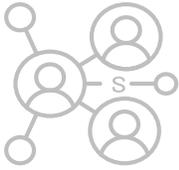
of suppliers say they will continue to work with BIG

93%

of suppliers recommend the Company

90%

supplier satisfaction rate



4 // Social // Human capital // Community

Investment policy and donation system

BIG has a public social investment policy and donation system, managed by the ESG Manager and overseen by a donations committee chaired by the Company's President and Chairman, which convenes quarterly.

The investment policy sets forth clear principles and a measurable strategic plan, allowing for the evaluation of the quality of activities and the social impact created.

The policy is based on the UN Sustainable Development Goals (SDGs) and aims to promote activities among disadvantaged populations, while promoting equal opportunities in education, with an emphasis on the future generation (children and youth) within these communities. Additionally, BIG works to promote principles related to health, welfare, and gender equality. BIG expresses its commitment to these causes by providing financial support, building infrastructure, forming connections, and creating significant collaborations with non-profit organizations operating in the field of education.

The investment strategy is based on a structured plan of the donations committee. The plan focuses on providing long-term support to organizations (the average support period exceeds five years), out of a genuine desire to help organizations create substantial impact in their work and the understanding that this mission depends on long-term economic stability that allows for a broad scope of action. The donations committee conducts an orderly process in which it receives referrals, identifies organizations that fit the Company's donation strategy, and assists these organizations in expanding their activities. Company employees are active participants in the volunteer initiatives in which the Company takes part.

The committee monitors the implementation in practice of the work plans of the organizations it approves. In accordance with the board of directors' decision, organizations that receive donations from BIG cannot have any connection to its directors, CEO, or controlling shareholders and their relatives.



Investment in the communities to which we belong

Investment in education

As a leading company with shopping centers located across the country, from Eilat in the south to Kiryat Shmona in the north, BIG finds great value in connecting with local communities and works to promote education for children and youth in the locations where it operates.

The Company is deeply committed to strengthening, empowering, and promoting equal opportunities for children and youth in the areas where it operates, most of which are located in the geographical periphery of Israel. The Company works through financial support, infrastructure, connections, and collaborations with non-profit organizations in the field of education to promote these goals.

5M

NIS 5 million in contributions in 2023

+30

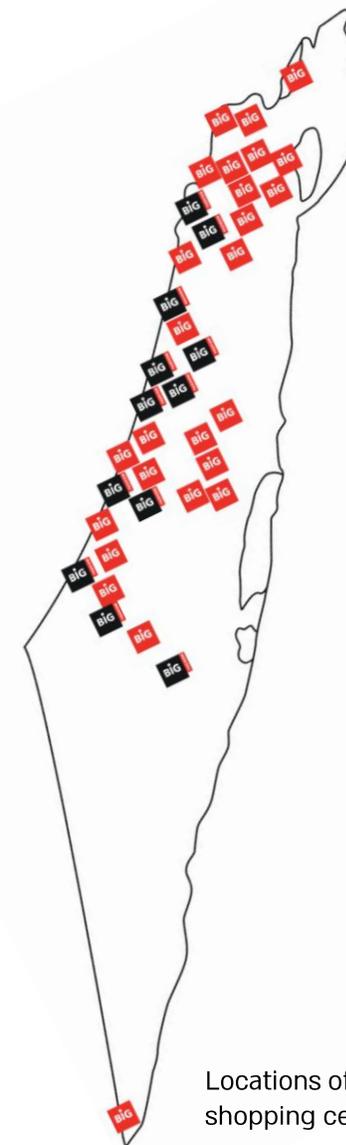
Supporting more than 30 non-profit organizations that specialize in educational activities in geographically peripheral regions

+5

Over 5 years of support on average for non-profit organizations

3K

Over 3,000 children and youth participate in enrichment and empowerment programs supported by BIG



Locations of BIG's shopping centers in Israel



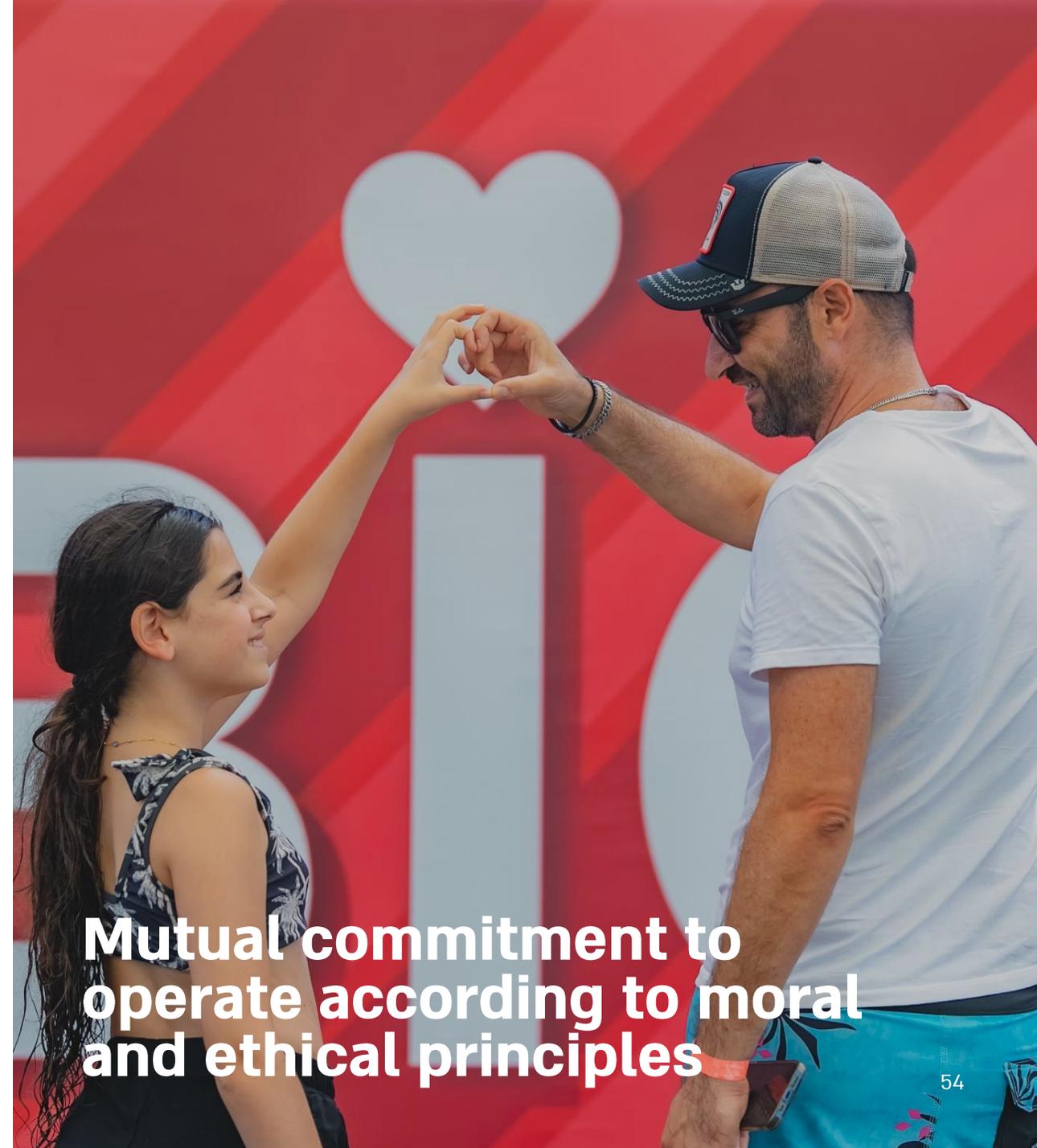
5 // Corporate governance



Business and organizational culture

BIG takes pride in a sound business culture and operates with a commitment to fair business conduct, while strictly adhering to all legal provisions. The Company has a mutual commitment with its employees to act according to ethical and moral principles. The Company nurtures an organizational culture that promotes values of transparency, an enabling work environment, and contribution to the community, its customers, suppliers, and employees.

In BIG's view, this culture is an integral part of the Company's business success, and accordingly, it operates structured mechanisms for conveying information to employees on the subject of its business culture, while enforcing appropriate conduct and continuous support on the matter.



**Mutual commitment to
operate according to moral
and ethical principles**



5 // Corporate governance // Board of directors and management

Board of directors

As of the end of 2023, BIG's board of directors consisted of nine members. Board members come from diverse backgrounds in terms of academic education, business experience, and skills. The board members include four women and five men.

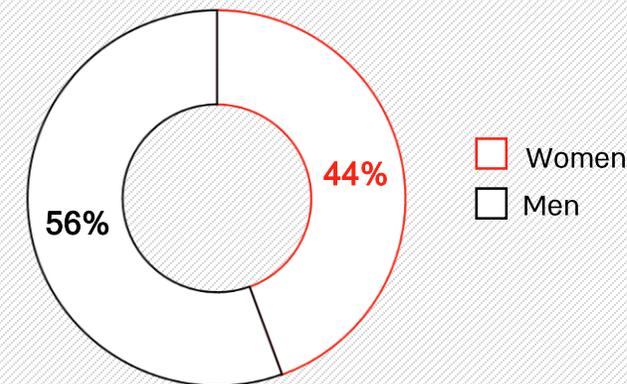
The Company's board includes external directors, regular directors, and directors on behalf of the Company's controlling shareholders. The board is composed of a majority of external directors who are independent. External directors are appointed for three-year terms, with the possibility of renewal for up to two additional periods, with the approval of the shareholders' assembly. As of 2023, some of the serving external directors are in their second and third terms.

There is a separation at the Company between the identity and role of the chairman of the board and the CEO or other officers. Additionally, the chairman of the board is not a member of the board committees.

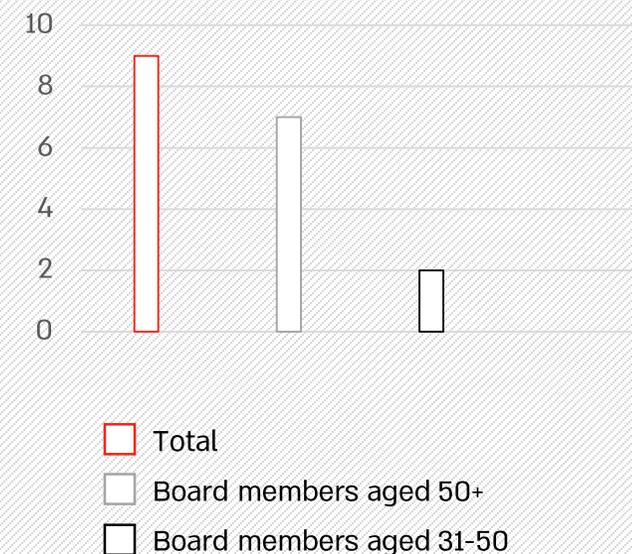
The Company has three board committees, advising on various managerial aspects:

- Compensation committee – Examines employee or team performance in certain periods, based on evaluation and efficiency, and distributes various benefits to employees accordingly. Additionally, the committee periodically examines the compensation policy and the need for its adjustment, subject to legal provisions.
- Audit committee – Examines the efficiency and propriety of processes, actions, and systems at the Company. The committee can also examine product quality, quality of service offered, and more. The committee examines and approves new appointments and is responsible for promoting and approving processes in the Company.
- Financial Statement Review Committee – reviews the process and outcomes of the company's financial statements and recommends their approval to the Board of Directors.

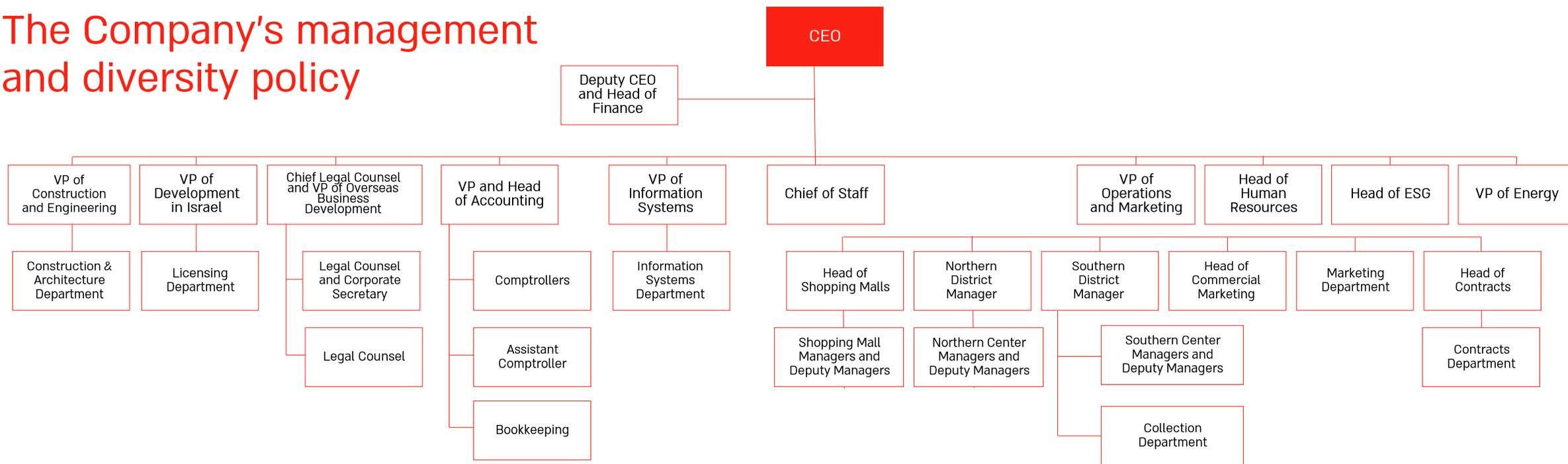
Board of directors by gender



Board of directors by age

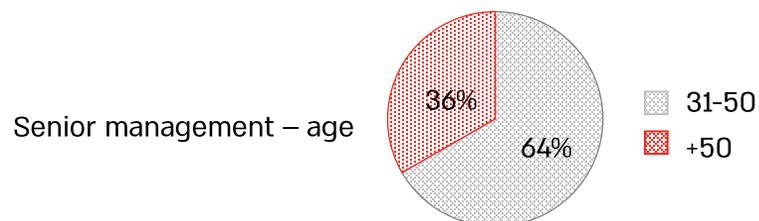


The Company's management and diversity policy



In 2023, to promote ESG issues and incorporate them into its business strategy, and to improve the Group's performance on various metrics, the Group appointed a manager for this topic, as a way of allocating responsibility at the management level to address ESG issues.

The Company's senior management includes ten men and four women; nine of the managers are between the ages of 30 and 50, and five managers are over 50 years old.



In accordance with the Company's view that diversity across all ranks of employees enhances and develops its business success, the Company's management has adopted a diversity policy aimed at encouraging and expanding the inclusion of management members with different characteristics and backgrounds. These are the main points of the policy:

- BIG is committed to diversity at the management level and recognizes that diversity contributes to the quality of decisions made by integrating different perceptions and skills
- The Company does not discriminate based on race, age, gender, sexual orientation, cultural background, physical ability, education, or experience.
- Diversity will also be promoted in decision-making processes, appointments, initiatives, and more.
- The board of directors is committed to promoting and evaluating these policy principles, which contribute to the Company's success.

Remuneration of officers

In accordance with Amendment 20 to the Companies Law (Amendment No. 20, 5773-2012) ("Amendment 20" and "Companies Law", respectively), the compensation committee, the Company's board of directors, and the Company's general assembly first adopted the Company's compensation policy in December 2013. The compensation policy has since been updated from time to time by the competent bodies according to the law.

In January 2023, the compensation committee and the Company's board of directors approved the Company's current compensation policy. This compensation policy is based on principles similar to those that underpinned the previous compensation policy, adapted to current legal provisions and developments in matters included in the compensation policy for the Company's needs.

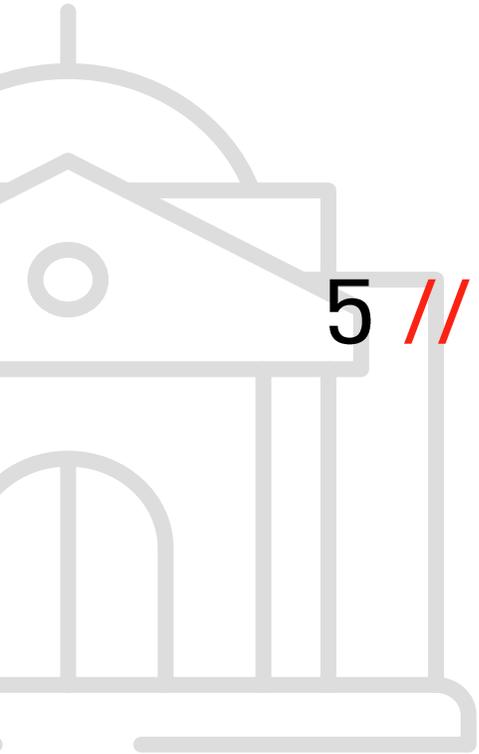
The guiding considerations in determining the compensation policy were aimed at achieving the Company's goals, taking into account its risk management policy, and were designed to ensure, among other things:

1. Promotion of the Company's objectives;
2. Alignment between the interests of the Company's officers and the Company's shareholders;
3. Recruitment and retention of senior managers with the ability to lead the Company to continued growth and business success;
4. Creating motivation to achieve a high level of business performance, without taking unnecessary risks;
5. Proper balance between different compensation components (fixed versus variable components, in different time ranges and according to role and status);
6. Creating a link between the officer's contribution to achieving goals and maximizing profits;
7. Creating competitive compensation conditions while building a proportionate and appropriate compensation system.

The Compensation Committee and the Company's Board of Directors approve the compensation policy every three years, as required by law. Additionally, from time to time, they will review the need for adjustments and changes to the policy.



5 // Corporate governance // Business ethics



Prevention of bribery and corruption

As a company with global operations, BIG is committed to ensuring that business activities at the Company are carried out to the required standards and in accordance with various laws and regulations, and to avoid, as much as possible, potential risks related to corruption. In accordance with all laws and regulations – and in particular those dealing with the fight against bribery and corruption – and as part of the Company's values, the Company's officers and employees are committed to managing the Company's business in an ethical and fair manner.

The Company has a zero-tolerance policy towards unethical conduct by its officers, employees, business partners, and those who come into contact with it.

The responsibility for managing this issue at the Company lies with the Company's CEO, and at the Company's foreign subsidiaries – with the local CEOs of those companies.

The Company has adopted a unique procedure to combat bribery and corruption, aimed at helping the Company's officers and employees identify cases where they are required to comply with laws against bribery and prevention of corruption; preventing, as much as possible, involvement in illegitimate transactions whose main concern and essence is bribery and corruption; outlining and establishing clear rules and guidelines for implementing the policy regarding the fight against corruption; and, among other things, establishing an effective enforcement mechanism of supervision, control, and reporting to ensure constant compliance with the policy.

The procedure also details cases where special attention is required from employees, and red flags that may constitute suspicion of violation of laws and standards dealing with the fight against bribery and corruption. All Company employees are required to report events that raise doubt or suspicion of potential violation.

Every employee hired by the Company is required to sign this procedure as part of their employment agreement.



Internal enforcement program

As a public company listed on the Tel Aviv Stock Exchange, to maintain compliance with securities laws and corporate laws, BIG has adopted and implemented an internal enforcement program.

The enforcement of the program, its implementation, the publication of legislative updates among Company employees, and sanctions due to violations are under the responsibility of the Company's CEO and the enforcement officer appointed by the Company.

The main objectives of the enforcement program are to adopt standards and outline guiding principles for the conduct of its officers and employees; strengthen and instill fundamental values in securities laws and corporate laws among Company employees, in a manner that ensures that the laws are upheld and enforced in the Group's area of activity; and maintain an internal enforcement system, including an enforcement officer, who is responsible, among other things, for overseeing the actions of Company officers and employees, providing answers and clarifications to their questions regarding compliance with this enforcement program in particular, and relevant applicable laws in general, and operating a procedure for reporting to superiors, in accordance with the enforcement program procedures.

The enforcement program contains twelve procedures regulating fundamental issues of the Group's conduct, including the work of the board of directors, reporting of deficiencies, stakeholders' transactions, prohibition of insider trading, and more. The program constitutes an advanced framework encompassing internal supervision, efficient reporting, and detailed instruction, including approval and appointment of an officer for implementation and enforcement.

All Company employees sign this program annually, and signing the program is mandatory for new employees when they begin work.



Privacy protection and information security

As part of its operations, BIG works to properly maintain and manage the private data of employees, tenants, commercial entities, suppliers, partners, and other parties with whom the Company interacts. The Company began drafting an information and privacy protection policy document during 2023, which is expected to be published in 2024.

The Company strives to comply with all requirements, laws, and regulations related to privacy and information security. Data collection for the Company's business activities is carried out in accordance with the Privacy Protection Law, 5741-1981, and the European regulation on the subject, the General Data Protection Regulation (GDPR).

In addition, the Company's management oversees efforts on this issue and allocates appropriate resources to assist in meeting various requirements. The Company has appointed the Chief Legal Counsel and the VP of Information Systems as the Company's privacy protection officers, both to verify the Company's compliance with legislation on this subject, and to serve as internal contact persons to whom Company employees can turn with issues in this area.

The Company has established internal procedures detailing processes and actions to prevent security incidents, and conduct in the event of such incidents. These documents include instructions and personnel responsibilities regarding backup, information security, and integrated management of a cyber event.

These procedures elaborate on the resources the Company invests in protecting and preventing cyber events, including:

- Technological means – Firewalls, NAC, EDR, segmentation systems between networks and computers, and more.
- Performing regular backups at the Company's site and at remote sites.
- Initiating and operating a DR site for recovery from extreme events, including cyber-attacks.

BIG keeps the data provided by Company employees and customers according to the law, and uses the information only for pre-arranged and agreed purposes. In using customer data for marketing purposes, the Company maintains customer privacy and uses the information only if the customer has approved such use. The Company does not share the information with third parties unnecessarily, and data sharing is carried out in accordance with legal limitations on this subject.

Code of conduct

As part of its dedication to creating a sound business culture, the Company has adopted a code of conduct containing values and rules to which all employees and managers commit, including, among others, integrity, fairness, and creating a pleasant work environment. The code also addresses other material issues such as conflicts of interest, protection of Company assets, use of insider information, compliance with laws, the fight against bribery and corruption, and prohibition of receiving favors.

The code emphasizes the obligation to act in accordance with legal rules and Company procedures; the responsibility for implementation of the code lies with the Company's CEO. As part of the process of implementing the code of conduct among Company employees, and to ensure compliance with various requirements, periodic reminders and tests on the subject are conducted.

In 2023, the Company began an in-depth process to update its ethical code, while updating all Company policy documents to better reflect BIG's core values and its commitment to stakeholders, and to serve as a guide for how employees should act and cope with moral dilemmas and challenges. The code was published simultaneously with the writing of this report and can be viewed on the Company's website at <https://bigcenters.co.il/esg/>.

Risk management

The Company applies a risk-based approach, under which it conducts a triennial risk survey, performed by the internal auditor, based on the Company's area of activity and relevant risk factors, its organizational structure and holding structure, and its activities abroad, while reviewing relevant controls and the regulatory environment in which the Company operates.

The survey is presented for discussion by the Audit Committee, which analyzes potential risk factors and the approach to addressing them, with the aim of preventing deviations from the company's policy, managing potential risks, closing gaps, and establishing internal control mechanisms for managing various risks.

The annual internal audit work plan is derived from this process.



6 // Appendix // GRI

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6 // Appendix // SASB

SASB Leisure Facilities Standard

Topic	Disclosure	Category	Unit	Code	Page
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	SV-LF-130a.1	20-25
Customer Safety	(1) Fatality rate and (2) injury rate for customers	Quantitative	Rate	SV-LF-250a.1	47
	(1) Percentage of facilities inspected for safety, (2) percentage of facilities that failed inspection	Quantitative	Percentage (%)	SV-LF-250a.2	47
Employees health and safety	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	SV-LF-320a.1	40
Performance metrics	Attendance	Quantitative	Number	SV-LF-000.A	43

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