



Reshaping Communities Responsibly

Meidar GanEden's ESG Commitment

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Introduction



Environmental

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Social

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- Employee welfare
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Governance

- Transparent Accounting
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"This ESG profile comes to present us as a company, in the most transparent way, so that our investors and partners have easy direct access to our company and what is happening in it. As we act with the tenants in our projects, accessible, clear, and helpful, we want to do the same with our investors and partners. We strive to bring Israel to bloom and thrive according to biblical prophecies and modern work ethics and procedures."

- Yechiel Porush, CEO Meidar GanEden Ltd.



Urban Renewal

A unique and brilliant concept was invented in Israel, to renew highly populated areas in major cities such as Jerusalem and Tel Aviv, with a "triple win" for all parties involved, by demolishing old buildings and building completely new, modern and higher buildings, with additional apartments on the higher floors which are later for sale at market price. This concept includes various ecological, social, and communal improvements. The focus of Meidar GanEden is on Urban Renewal projects – that is our heart and mo-

tivation. The "triple win" refers to the following three involved parties:

1. The city benefits from renewed infrastructure and a larger number of apartments.
2. The existing owners benefit by not having to pay anything in our projects, and they get a completely new, larger apartment with extra benefits, within 3 - 4 years.
3. The real estate companies and their investors benefit from the sales of the additional apartments (on average 4-6 times as many as before)

The Urban Renewal process is as follows: once a building or neighbourhood complex is identified and qualified (i.e, built before 1980, in highly populated neighborhoods, etc.), a development company such as Meidar GanEden approaches the current apartment owners to sign an agreement for an Urban Renewal project in their building or complex. With 60% of the owners' signatures, the company receives the permit rights to start the official process.

Each owner signs a contract with us, that enables them to receive a completely new apartment, with more space of approx. 12-25 sqm, sometimes an additional balcony and/or parking spot. All costs are covered by the company. That means we pay for the lawyers (ours and the owners), rent a temporary apartment during the construction period, cover moving costs, and more. The tenants do not have to pay anything out of their own pocket.

In the construction phase, we demolish the old buildings and build new complexes, that include underground parking, parks/green grounds,

accessible trails, often but not always - commercial areas for daily needs such as supermarkets, banks, medical facilities and more - built with newest technologies, including a safe room in each apartment (which has been a requirement in Israel since 1992). All buildings are earthquake safe with stronger foundations and construction according to the codes and the highest standards.

The additional apartments we build are sold, and a profit generated not only by the added value of the new apartment, but also thanks to steadily rising housing prices in Israel. Just in the last year (2022), prices rose by almost 20% on average, mostly due to a high shortage of apartments.

In conclusion, the urban renewal concept targets not only to renew old buildings, but also to establish communities, ensure safer homes, and the betterment of the city.





Environmental

As a real estate company, we develop, hold, and manage mainly apartment buildings, but also commercial areas and a logistics center. By developing real estate, we have a lot of influence on environmental factors such as energy, water, pollution, waste, and materials management. We aim to preserve our planet for future generations and reduce harmful factors and waste as much as possible, as well as enabling not only green energy but also green neighborhoods. Our environment matters to us.

Thanks to a recent Israeli law, the standard for green construction was written in 2011 and it includes the following topics: energy, ground, water, materials, health and well-being, waste, transportation and innovation. Keeping these standards is the minimum requirement in our opinion and we aim to push forward using the newest technologies that are safer, ecologically friendlier, and more sustainable.

We aim to include all environmental factors from the beginning of the planning stage of each of our projects, to ensure a maximum improvement in using natural resources and a reduction of waste or harmful materials.

Green Neighborhoods

In our Urban Renewal projects, we aim not just to renew a singular building, but instead to renew a whole neighborhood, and with that influence the local infrastructure in a positive and green way. This goes beyond the materials and construction.

Underground/Private Parking

By providing underground/private parking in each of our projects, we reduce the public spaces for parking and allow for ground-level areas to have more green areas such as parks or playgrounds, instead of grey asphalt.

Daily Commute

Due to the significant increase in the population density after construction, and the already overpopulated areas, we aim to provide tenants with their daily needs within walking distance to reduce traffic and pollution.

Energy Consumption

The Israeli standard establishes several rules in the construction of residential buildings that relate to the reduction of the building's energy consumption.

Bioclimatic Planning

Bioclimatic Planning supports energy efficiency in buildings by using passive heating and cooling systems.

Bioclimatic Diagram

There is an emphasis on passive systems in which special effort was needed to bring the solar passive heating to spaces that cannot get direct sun, like northern direction rooms, or lower rooms that are shaded by the surrounding, or in cases when the direct sun may cause too much brightness and glare. These include for example "Vented Wall" or "Sunspace" for space heating, or "Wind Chimney" and "Thermal Chimney" for cooling by natural ventilation. The vented wall or sunspace, for example, may serve also as thermal chimney. Hence, they are considered as two systems. The passive systems to be applied in the project and the building area served by each system should be documented and presented in the schematic planning. The points are determined according to the floor area of the building devoted to the primary functions that are served by the passive systems for heating or for cooling. The contribution of the passive systems for heating and cooling to minimize the energy consump-

tion of the building, as well as direct solar gain and cross ventilation, are calculated by using computer simulation programs like EnergyPlus. This method was adapted to the Israeli climate and building technology (Shaviv, 1995). Thus, the architect has a simple and easy-to-use design tool that allows him to know, at the early design stage, the required size of each passive system, according to the floor area it should serve.

Bio-Climatic Planning - Sun and Shade

The building density in Israel is one of the highest in the world. The green code should ensure suitable environmental conditions for the surrounding buildings, sidewalks, and open spaces, as well as the proposed project in regard to the sun and winds. The intent of this section is to maintain the solar rights of the proposed project and of the buildings and open areas in its close environment, in addition to carefully shading the open spaces and sidewalks in summer, without depriving winter insolation. Points are awarded according to the achieved predefined amount of solar exposure of the proposed project and the nearby environment including (a) the solar systems (PV and water heating solar collectors), (b) the building elevations, and (c) the open spaces of the proposed designed project. Moreover, the building should comply with the requirements of keeping the solar rights

of the neighboring buildings and open spaces. The last requirement is mandatory for buildings taller than 90m or longer than 45m. An additional point is awarded when 20% of the main open area of the project is designed for achieving summer shading while keeping the winter-required insolation. This may be achieved by fixed shading devices or evergreen trees, in areas that are anyhow shaded during winter by the surrounding buildings, or by dynamic shading devices, including deciduous trees, in areas that are not shaded during winter by building masses. These areas can also be shaded by a fixed shading, like horizontal shading devices, that protects the open space from the summer high sun but allows the winter low sun to reach this area.

Natural lighting in common internal areas

Israel is known for its sunny and comfortable weather conditions most of the year, and the company does its best to use natural lighting in its projects.

Green construction allows us to preserve the natural lighting of the building and its surroundings. We are also building the proper shadings according to the requirements. In Israel, there is an obligation to install solar water heating systems by virtue of the planning and construction regulations.



Green (recycled) Materials

We are using green materials in the building, on its various parts, which reduces the ecological footprint of the entire building.

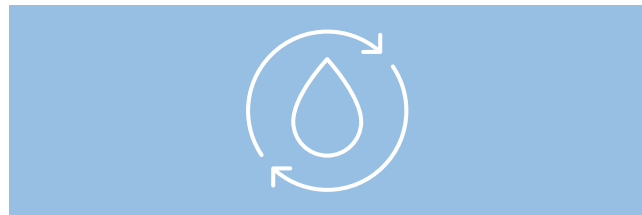
Green labeling of products includes among other things, the carbon emissions to produce the materials, the use of recycled materials, reducing the use of primary raw materials, and environmental management of the plant.

We build our projects with an emphasis on green standard construction, we install solar panels, we preserve and create green areas for the residents and the city, we use natural lighting and shading, and we implement standards according to Israel and municipality requirements and more.

We implement these standards in the pre-planning and planning stages of the project along with our architect.

Wherever possible, we use recycled materials. That way, we reduce the need for extraction of new raw materials, as well as reduce the construction waste which requires a clearing solution and contaminates the air and the earth.

Water Management



Protecting Israel's water sources is one of the country's biggest challenges and main goals. The State of Israel entered the 21st century in a state of overexploitation and shortage of water. To continue to providing the country's population with all its water needs under conditions of scarcity, the country began to implement a sustainable water management policy, which includes water conservation and desalination plants. The use of water in buildings can be reduced by consuming less water and installing special water-saving devices and tools, especially for sanitary ware, which makes up a significant part of the total water consumption.

Secondary measurement means to reduce or prevent leaks, whether minor or significant, by providing measuring devices whose purpose is to prevent water wastage and detect leaks as soon as they appear.



Saving water in gardening by planning water-efficient gardens, incorporating water-efficient plants as well as adopting efficient irrigation methods is done with the following measures:

- Surface runoff and drainage management purpose to encourage the management and conservation of runoff water.
- Gardening – system collects water from the roof and from other areas in the building and directs it to the purposed area.
- There is sufficient room on the building lot for the rainwater to be absorbed in the land instead of going to the sewage.
- All the sewage in Israel is treated. There is a big water purifying facility where they use purified, clean sewage water for agriculture and washing purposes.

Natural Resource Conservation

We are working to reduce, reuse, recycle and cut down on waste in our projects.

We conserve water and use recycled water that is not meant for drinking (purified sewage water as explained above).

We choose sustainable products and materials as much as possible.

We use green materials for the construction and the new buildings as much as possible.

We plant green areas around the buildings and the surroundings for the benefit of the environment, the residents, and the municipalities.

Green Areas in Jerusalem

The regulations for green construction in Israel will soon become legally mandatory according to national policy. However, the minimum standard required is not enough. Therefore, Jerusalem's plan exceeds the minimal approach and requires actions according to international standards.

An integrated concept that guarantees planning and construction – especially of high-rise buildings – adapted to climate change, storms, widespread heatwaves, and the potential for continuous power outages.

A development concept that incorporates the adaptation of public spaces is promising adequate shading, walking trails, as well as accessibility trails.

Contamination and Waste Management



From an environmental point of view, the preferred solution for the treatment of municipal solid waste is the separation of the source of the waste in the inner-city segment into sub-streams that enable activity up the hierarchy of waste treatment. Based on world experience, separating waste at its source is the ideal step to serve as an anchor in sustainable waste management.

The earlier the sorting of the waste is done, the higher the potential for separation and the higher the value of the materials transferred for recycling. Therefore, separation at the source of waste is implemented in many places in the world starting from the residents' homes.

Archaeological and Historic Maintenance and Preserving

Especially in a country with a history as rich as the land of Israel, we aim to preserve and maintain historic and archaeological buildings and findings with the utmost effort. In fact, neighboring one of our project slots is a historic building, for which we pay special attention in planning and measures taken to preserve all its historic significance. We are working closely with experts each step of the way to make sure the property is maintained and preserved during construction to the highest standard.



Social

A major part of the social contributions Meidar GanEden provides is the Urban Renewal concept in our projects.

Tenants in Israel

Many of the tenants living in the old buildings of our Urban Renewal projects purchased their apartments many years ago for a much lower cost or inherited them. However, they are now in no financial position to afford better living conditions. The buildings lack a safe room (Israel is in a permanent emergency mode), they are not earthquake safe, have poor foundations, broken walls, mold, constant water damage, no insulations, and high heating or air conditioning costs, all of which contribute to poor living conditions for its tenants.

Thanks to the brilliant concept of Urban Renewal, many of those financially restricted families enjoy completely new and bigger apartments or have the option to sell their apartments at a higher price to afford suitable housing.

Not only financially challenged tenants benefit from our projects, but also elderly individuals, new immigrants (Olim), students, and young families. Since many of the qualifying complexes were built before 1982, elderly people now face financial limitations with their small pension, having little to pass on as an inheritance, and dealing with constant repairs and inconveniences, as well as living in unsafe homes. Elderly tenants have the option to leave their old

apartment; we purchase it from them at the beginning of the project, offering a market value equivalent to what the new apartment would be. This way, they still get a better deal than their old apartment and are able to move out to another home or apartment without needing to wait until construction is completed, which might be too late or too much hassle for them.

Due to the high demand for apartments in Israel and the constantly rising numbers of immigrants (Olim) that are returning home, there is a great need for more apartments.

Diversity and Daily Needs

Israel's population is indeed one of the most diverse-cultural combinations in the world. As a company, we understand the importance of considering not only the cultural needs of the tenants but also their religious needs. It is a high priority for us to ensure that our projects cater to the diverse backgrounds and beliefs of the people who will be living in them. By doing so, we aim to create inclusive and harmonious living environments that respect and celebrate the rich cultural and religious diversity of Israel's population. We uphold a strong commitment to non-discrimination and inclusivity in all aspects of our business. We do not discriminate against or exclude any individual based on race, religion, or gender in the sales of our constructed apartments or any other matter. Our ethos is rooted in acceptance and kindness, fostering an environment that welcomes and respects individuals from every culture.

"Israel is rapidly emerging as a formidable economic force, experiencing remarkable growth since its foundation and is constantly evolving. In 2021, Tel Aviv claimed the title of the world's most expensive city. Real estate in Israel presents a reliable and secure investment opportunity, driven by strong demand from both new immigrants and a rapidly expanding population."

- Doron Schneider, Chairman Meidar GanEden Group



As an organization, we actively embrace diversity and equality, which is why we hire employees from various backgrounds and cultures. This not only ensures a diverse workforce but also enables us to better understand and connect with the tenants we serve in our projects. By creating an inclusive workplace and fostering a culture of acceptance, we aim to provide our tenants with easy access to our services and a comfortable experience when working with us. Due to the broad variety in lifestyles of Israel's population, and its implications on daily life, many times people with similar beliefs live in the same neighborhood.



We aim to consider the future-tenants daily needs depending on the location of our projects and incorporate the needs of the tenants from beginning of the planning phase.

Employee Welfare

At our company, from the partners at the highest level to our most junior employees, we foster a collaborative environment that transcends any bias of religion, race, or gender. We welcome and embrace everyone, appreciating the unique diversity that each individual brings to the table.

Our commitment to inclusivity is deeply ingrained in our company culture, ensuring that no one is excluded or treated unfairly based on their background. We firmly believe that diverse perspectives enrich our work, driving creativity, and innovation.

By working together with respect and open-mindedness, we build a strong and united team that celebrates our differences and leverages them as strengths. It is through this collective spirit that we can achieve our shared goals and make a positive impact in our community and beyond.

Social Investor Benefits

Our vision at Meidar GanEden Finance GmbH, the daughter company that operates in Germany to find investors for the financing of our projects, came into realization because Christian believers were searching for a way to bless and invest in Israel in a meaningful way based on their beliefs. This is one of the reasons why Doron Schneider, co-founder and CEO in Germany started the company.

Investing in Israel from Europe requires a unique company structure, with both a company in Israel and Germany. We at Meidar GanEden provide exactly that platform that enables Investors from Germany, Luxembourg, and Switzerland to easily invest in the real estate industry in Israel based on their ideologies and faith and to do so profitably.





Governance

Transparent Accounting Methods

All our accounting at Meidar GanEden Ltd, which is the parent company to all our project companies, as well as the financing company Meidar GanEden Finance GmbH that offers bonds in Germany, is published according to the IFRS standards. This ensures that our financial reporting is transparent and accessible on an international basis. All our financial statements are published on our website and in the corporate authority database.

Investor Relationships

Our Investors play an essential part in our growth and advancement, and we highly appreciate every single one who has put their trust in us.

We send out regular newsletters and mailings to our investors, providing detailed project updates, as well as broad information on the political, social, and economic environment and situation in Israel.

Company Ethics

As the company was established based on a biblical prophecy, we hold up high ethical and moral values that are anchored in the Bible and in our faith. We are working in integrity and transparency.

Israel, as promised in the Bible, is a prosperous country, and the apple of the Lord's eye, and we believe in its continuous growth and prosperity.

Legal Practices

We are proud to say that Sali Eilon, a renowned CPA, tax advisor and tax lawyer, consults us on all legal matters, especially concerning the taxes and legal habits in Israel. He has a significant track record of achievements, which includes working for the government. Sali Eilon was part of creating the legal foundation in the law for the Urban Renewal projects. It is considered to be one of the most complex areas of Real Estate in Israel, and he participated in writing the lawful foundation for it.



Sali Eilon

The company is supported by a dedicated team of legal experts who are involved in every detail, every contract, and every step of the way with us.



Work Environment

Our company's work environment is truly unique. Our partners and employees come from various cultures and backgrounds, fostering an open and friendly atmosphere. Each person brings their unique perspectives, skills, and experiences to the table, enabling us to achieve more together.

In line with our commitment to inclusivity, we hire people from all backgrounds and cultures, ensuring that our team represents a rich tapestry of talents. We strive to create a warm and happy workplace for our team where everyone feels valued and supported, enabling them to perform their best and collaborate effectively so we can maximize results. Our deep appreciation for our team is the driving force behind our shared success, and we take pride in fostering a workplace that is both supportive and empowering.

We love our team!





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September 2023

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