



TADIRAN



Tadiran Group Ltd.
Corporate Responsibility Report
for
2022-2023



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Message from the CEO and Controlling Shareholder

Dear readers,

Tadiran Group is honored to present our second Corporate Responsibility Report to you. This report reflects our commitment to operate according to norms of business, social and environmental responsibility as part of our responsibility as a leading organization in the consumer goods segment and in the renewable energy market.

Tadiran Group's vision is to enable a healthy and sustainable living environment through renewable energy, a comfortable climate and healthy air, while sustaining its positioning as a leading company in the residential and commercial air-conditioning sector in Israel. In pursuance of this vision, the Group began operating in the renewable energy market in recent years through marketing and sales of solar energy systems, energy storage systems, electric vehicle charging solutions, etc., which are consistent with Tadiran's world view and vision. The activities of the Group's energy division accounted for about 56% of the Group's volume of activities in 2022 and about 54% in 2023. Additionally, Tadiran developed the innovative Airow technology for air purification in closed spaces.

As part of the Company's business goals and strategy, it regularly takes action to strengthen its independent development and manufacturing capabilities and to further develop human capital and professionalism in the Group's various operating segments, while taking into account the trends in the market

and in the regulatory environment. These capabilities enable the Company to adapt and develop its product portfolio and the various solutions that it offers to its customers in its various operating segments, both according to customers' needs and according to developments in the market. We are continuing to be committed to innovation and to constantly improving all aspects of our business operations.

Our Corporate Responsibility Report highlights our deep appreciation for the Group's employees and our suppliers, and emphasizes our joint efforts to minimize environmental impacts through active participation in social initiatives that contribute to Israeli society. We firmly believe that our steadfast adherence to these principles, as described in this report, serve as a beacon guiding the Group's operations during these challenging times and beyond.

In this report, we present the vision and values that guide us in our activities, and their implementation and assimilation in spheres of corporate responsibility. Once again, we aspire to exceed the goals that we set for ourselves in this regard, congruent with the trust and recognition we receive from the Israeli society and economy.

This report that we are publishing today emphasizes our commitment to environmental management, to innovation and to the welfare of our employees,



customers, suppliers, shareholders and our surrounding communities. We are continuing to invest resources to create innovative solutions in our operating segments and aspire to continue to excel and constantly improve.

On October 7, 2023, the terrorist organization, Hamas, attacked the State of Israel. During the brutal attack from the Gaza Strip, barrages of missiles were launched and thousands of terrorists swarmed into Israel and slaughtered residents of the western Negev and participants at the Nova festival. As a result of the brutal attack, the Israeli government declared the Swords of Iron War, which is continuing to this day. The war is having major impacts on the entire economy, including, inter alia, as a result of evacuations of communities adjacent to the front lines in northern and southern Israel, temporary closures of businesses in these communities and massive callups of reserve forces. As of the second week of the war and up until the date of this report, all of the Company's sites in Israel are operating routinely.

Tadiran Group is handling this period of uncertainty with financial resilience and flexibility, low leverage and efficient inventory management. Correct to the report date, the war is not having a material impact on the Group's financial position, on its ability to fulfill its obligations, on its liquidity or sources of financing, on its supply chain or on the availability of products or raw materials.

We support and thank all of the soldiers and all security forces defending our homes, including the Group's employees who were called up to take part in the national efforts. Our hearts are with the families who have lost loved ones. The Tadiran family sends its best wishes for recovery to all of the wounded and hopes for the swift and safe return of the hostages.

Moshe Mamrud

CEO and controlling shareholder



About the Company



TADIRAN

Tadiran Group leads its activities in its various operating segments, while taking society and the environment into account and while being attentive to its stakeholders during its ongoing dialogues with them. These dialogues help the Group to understand their aspirations and desires and to adapt and diversify the Group's portfolio of products and services.



Definitions

Names and terms used in this report are defined hereunder:

The Company	Tadiran Group Ltd. (formerly: Tadiran Holdings Ltd.).
The Group	Tadiran Group Ltd. and/or all or a portion of the corporations directly or indirectly held by it.
Tadiran Consumer Goods	Tadiran Consumer Goods and Technology Ltd. is a wholly-owned subsidiary of the Company that centralizes most of the Group's activities in the consumer goods operating segment and engages, inter alia, in the development, manufacture, import, marketing, distribution and sale of air conditioners, heat pumps and HVAC and air-treatment systems for the residential, commercial and industrial markets; in the import, marketing and distribution of white household electrical appliances; and in the provision of warranty and maintenance services for the products it markets.
Tadiran New Energy	Tadiran New Energy Ltd. (formerly: Tadiran Projects Ltd.), a wholly-owned subsidiary of the Company, which centralizes most of the Group's activities in the renewable energy operating segment, primarily through its holdings of: Tadiran Energy Solutions Ltd., VP Solar SRL, Tadiran Solar Ltd. and Tadiran Aluminum Ltd.
Tadiran Energy Solutions	Tadiran Energy Solutions Ltd. (formerly: Aviam Systems Ltd.), a private company wholly-owned by Tadiran New Energy, which engages primarily in the import, marketing and distribution of energy storage systems, UPS (uninterruptible power supply) systems and EV charging solutions in Israel.
Tadiran Solar	Tadiran Solar Ltd., a private company wholly-owned by Tadiran New Energy, which engages primarily in the import, distribution and trade of photovoltaic energy products in Israel.
VP Solar	VP Solar SRL, a private company incorporated and registered in Italy, which engages in the import, distribution and trade of photovoltaic energy products and associated products in Italy and in other European countries. Tadiran New Energy holds 60% of its share capital.
Tadiran Aluminum	Tadiran Aluminum Ltd., a private company wholly-owned by Tadiran New Energy, which engages in the manufacture of aluminum profiles (which are used, inter alia, as mountings for solar energy systems) and in aluminum trading.
Tadiran Arava	Tadiran Arava Ltd. (formerly: Arava Building Skin Solutions Ltd.), a private company engaging in the planning and execution of various types of building skin projects (including aluminum cladding, curtain walls, etc.). Tadiran Aluminum has been holding 70% of its share capital since August 6, 2023.

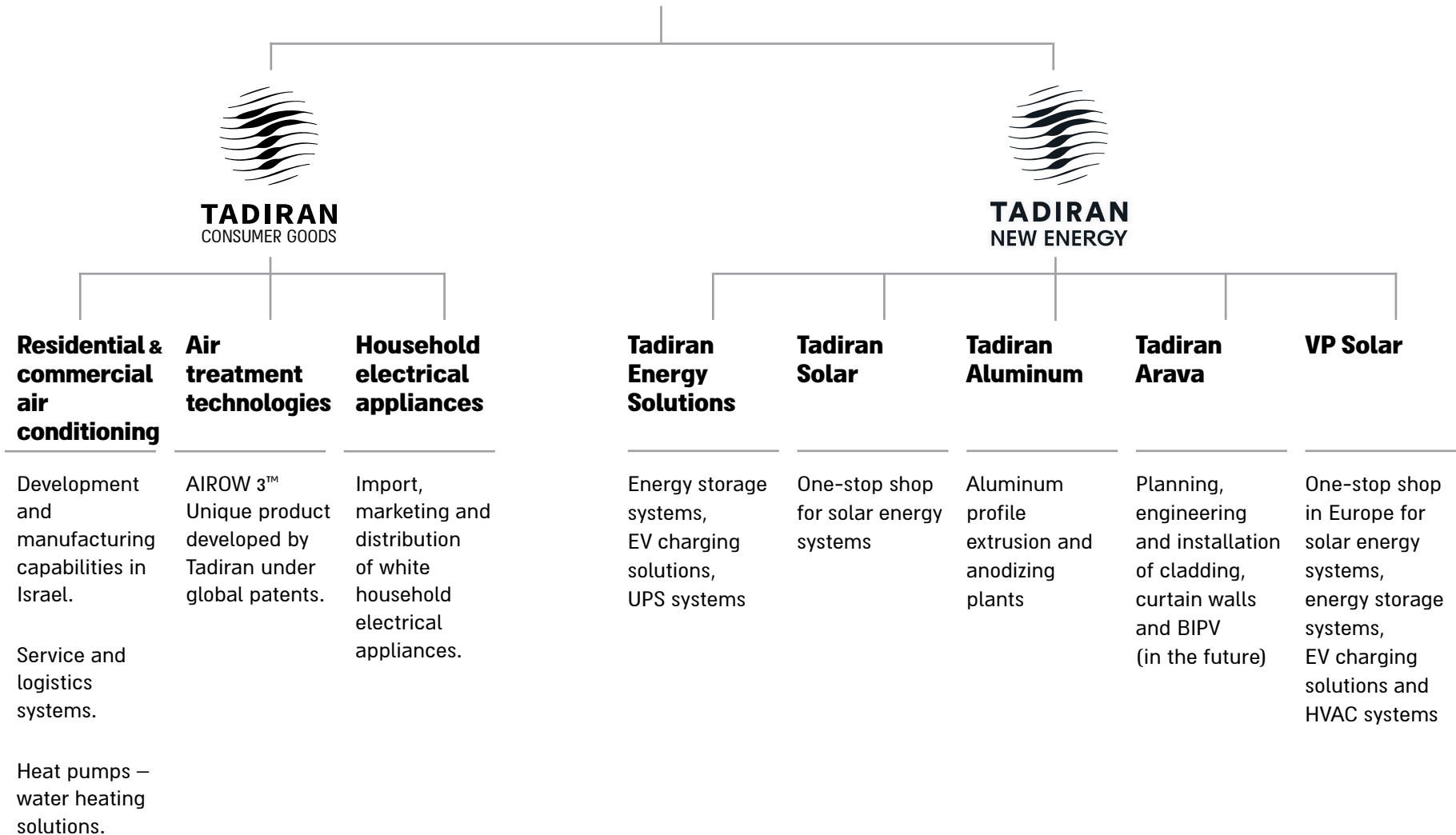


Tadiran Group Ltd. and/or all or a portion of the corporations directly or indirectly held by it (hereinafter: **"the Group"** and/or **"Tadiran"**) engage in the manufacture, import, marketing, distribution and sale of air-conditioning systems, heat pumps, HVAC solutions and household electrical appliances and in the provision of warranty and maintenance services for these products. The Group also engages in the import, distribution and trade of photovoltaic energy products in Israel and in Europe, UPS (uninterruptible power supply) systems, energy storage systems and electric vehicle charging solutions in Israel. The Group also engages in aluminum trading and, in August 2023, Tadiran Aluminum completed the establishment of a plant for the manufacture of aluminum profiles, for use, inter alia, as mountings for solar energy systems.

Tadiran Group's vision is to **enable a healthy and sustainable living environment through renewable energies, a comfortable climate and healthy air, while sustaining its positioning as a leading company in the residential and commercial air-conditioning sector in Israel.**

The Company's Organizational Structure

Tadiran Group



Information about the Group's operations:

- **Tadiran Consumer Goods and Technology Ltd.** – a wholly-owned subsidiary of Tadiran that carries out all of the Group's activities in the residential, commercial and industrial air-conditioning and heat pump sector, including manufacturing of air-conditioning systems and heat pumps, importing and marketing of white household electrical appliances and developing and marketing air-purification solutions.
- **Tadiran New Energy Ltd.** – a wholly-owned subsidiary of Tadiran that centralizes most of the Group's activities in the renewable energy sector, primarily through its holdings of: Tadiran Energy Solutions Ltd., VP Solar SRL, Tadiran Solar Ltd. and Tadiran Aluminum Ltd.
 - **Tadiran Solar** – a private company wholly-owned by Tadiran New Energy, which engages primarily in the import, distribution and trade of photovoltaic energy products in Israel.
 - **Tadiran Energy Solutions Ltd.** – a private company wholly-owned by Tadiran New Energy, which engages primarily in the import, marketing and distribution of energy storage systems, UPS systems and EV charging solutions in Israel.
 - **VP Solar SRL** – a private company incorporated and registered in Italy, which engages in the import, distribution and trade of photovoltaic energy products in Italy and in other European countries.
- **Tadiran Aluminum** – a private company wholly-owned by Tadiran New Energy, which engages in the manufacture of aluminum profiles (which are used, inter alia, as mountings for solar energy systems) and in aluminum trading.
- **Tadiran Arava** – a private company engaging in the planning and execution of various types of building skin projects (including aluminum cladding, curtain walls, etc.).



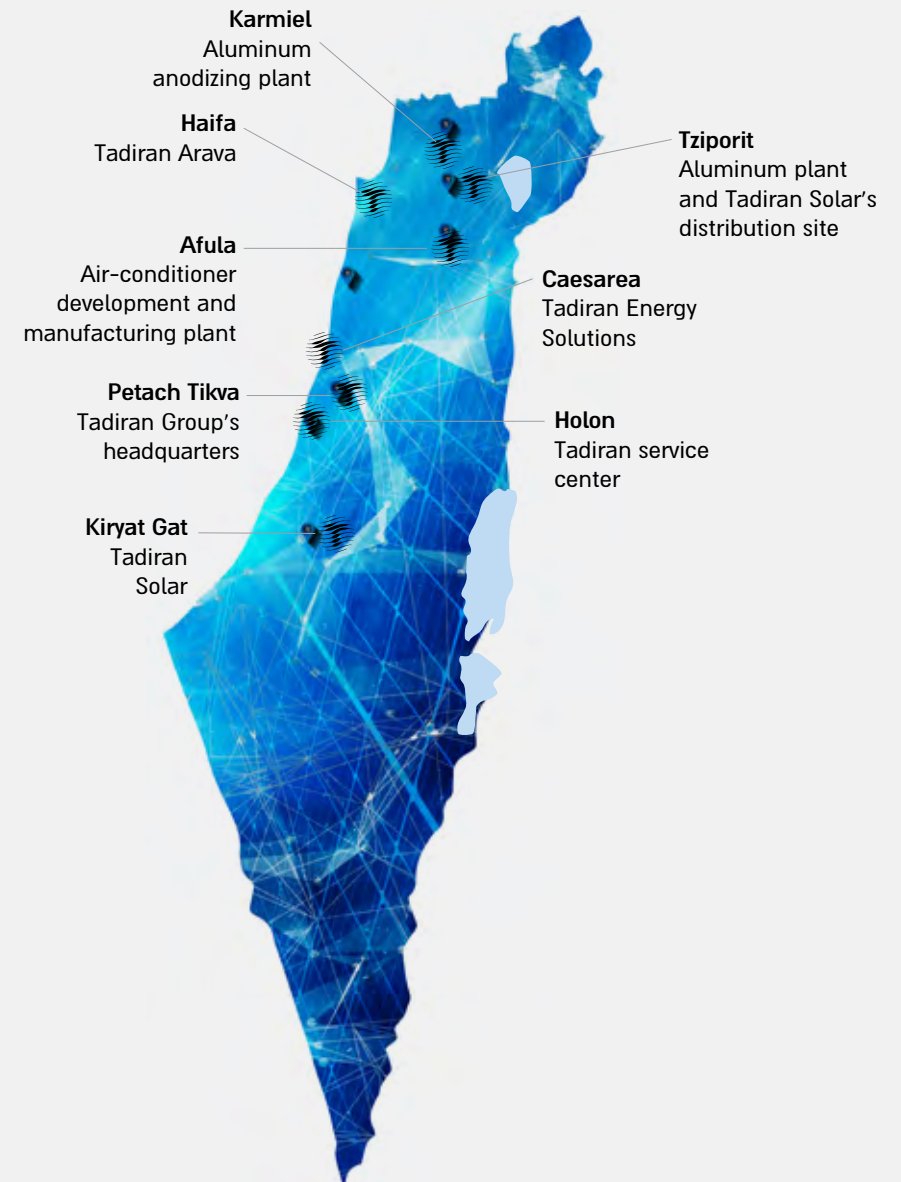
Locations of the Company's Operations and Offices

The Group's headquarters are located in the Segula Industrial Zone in Petach Tikva, Israel.

Tadiran Consumer Goods imports most of its electrical goods and air conditioners as finished goods. The Group has a manufacturing plant in Afula, Israel, which manufactures residential and light commercial mini-central air-conditioning systems using on-off technology and inverter technology, VRF Box systems using inverter technology, and heat pumps. The plant includes production and development departments and laboratories. The plant's production capacity is flexible and varies from time to time according to demands. Tadiran purchases key components and raw materials used in air-conditioner manufacturing from China, Thailand, India and Israel.

Tadiran Consumer Goods has a service division through which the Group provides statutory post-sale warranty services to customers who purchase consumer goods, and offers engagements in warranty service agreements for additional periods beyond the statutory period, through a nationwide service division comprised of skilled technicians, a call service center and a digital service center. The service centers are located in Holon, Afula and in Be'er Sheva.

Tadiran Energy Solutions' headquarters, offices and warehouse are located in Caesarea, as is a customer service center operated 24/7 by professional representatives and technicians for the various products.





Tadiran Solar has a site in Kiryat Gat that is dedicated to customizing systems according to customers' needs and, during May 2023, Tadiran Solar opened a production, storage and sales site in the Tziporit Industrial Zone.

During August 2023, Tadiran Aluminum completed the construction of a plant for the manufacture of aluminum profiles for use, inter alia, as mountings for solar energy systems. The plant was established in the Tziporit Industrial Zone. In the future, Tadiran also intends to manufacture aluminum profiles for building-integrated photovoltaic (BIPV) systems and aluminum profiles for installing curtain walls and aluminum cladding, within the framework of projects to be carried out by Tadiran Arava, which is based in Haifa. The plant extends over about 5,000 m² and has a production capacity of 800 tons of aluminum per month. The plant's activities will enable shorter

delivery times to customers and the manufacture of customized aluminum profiles. The aluminum profiles are manufactured in the plant and sold to the local market, with Tadiran Solar serving as an "anchor" customer. The plant's production line uses natural gas in a completely automated process, and features controllers to optimize and regulate the energy supply to the machines according to use. Aluminum manufacturing waste is transferred for reuse. Tadiran Aluminum has also been operating an aluminum profile anodizer since January 2024.

VP Solar operates in Italy and in other European countries. The company's headquarters and warehouses are located in Treviso and extend over an area of about 2,100 m².

Tadiran's Development Over the Years

In pursuance of the Group's vision, the Group began operating in the renewable energy market in recent years through marketing and sales of solar energy systems, energy storage systems, electric vehicle charging solutions, etc., which are consistent with Tadiran's world view and vision. The activities of the Group's solar energy division accounted for about 56% of the Group's volume of activities in 2022 and about 54% in 2023. Additionally, Tadiran developed the innovative Airow technology for air purification in closed spaces.

The Group's operations are divided into two key operating segments that are reported in the Group's financial statements as two business segments – the consumer goods segment and the renewable energy segment:

The consumer goods segment – the Group's operations in this segment include the import, marketing, distribution, sale and service of air conditioners, HVAC and air- treatment systems for the residential, commercial and industrial markets, primarily under the Tadiran, Amcor, Toshiba and Spectra brands, and the manufacture, import and marketing of heat pumps. In this operating segment, the Group also engages in the development, industrial manufacturing and the provision of warranty and maintenance services for these products. In this operating segment, the Company also engages in the import, marketing and distribution of white household electrical appliances under the Amcor and Crystal brands, and in the provision of warranty and maintenance services for these products. Correct to the date of this report, the vast majority of the Group's sales are to the Israeli market.

The renewable energy segment – the Group's operations in this segment include the import, distribution and trade of photovoltaic energy products (in Israel, through Tadiran Solar and, in Italy, through VP Solar), and of UPS systems, energy storage systems and EV charging systems in Israel (through Tadiran Energy Solutions). The Company (through Tadiran Aluminum) also engages in aluminum trading and, in August 2023, Tadiran Aluminum completed the establishment of a plant for the manufacture of aluminum profiles, for use, inter alia, as mountings for solar energy systems.

The Group also has an **"other businesses"** segment, which includes investment real estate activities, including leasing of spaces in the Company's office building in Petach Tikva to a third party (hereinafter: "Investment Real Estate"). The "other businesses" segment also includes Tadiran Arava's operations focusing on the planning and execution of various types of building skin projects (including aluminum cladding, curtain walls, etc.).

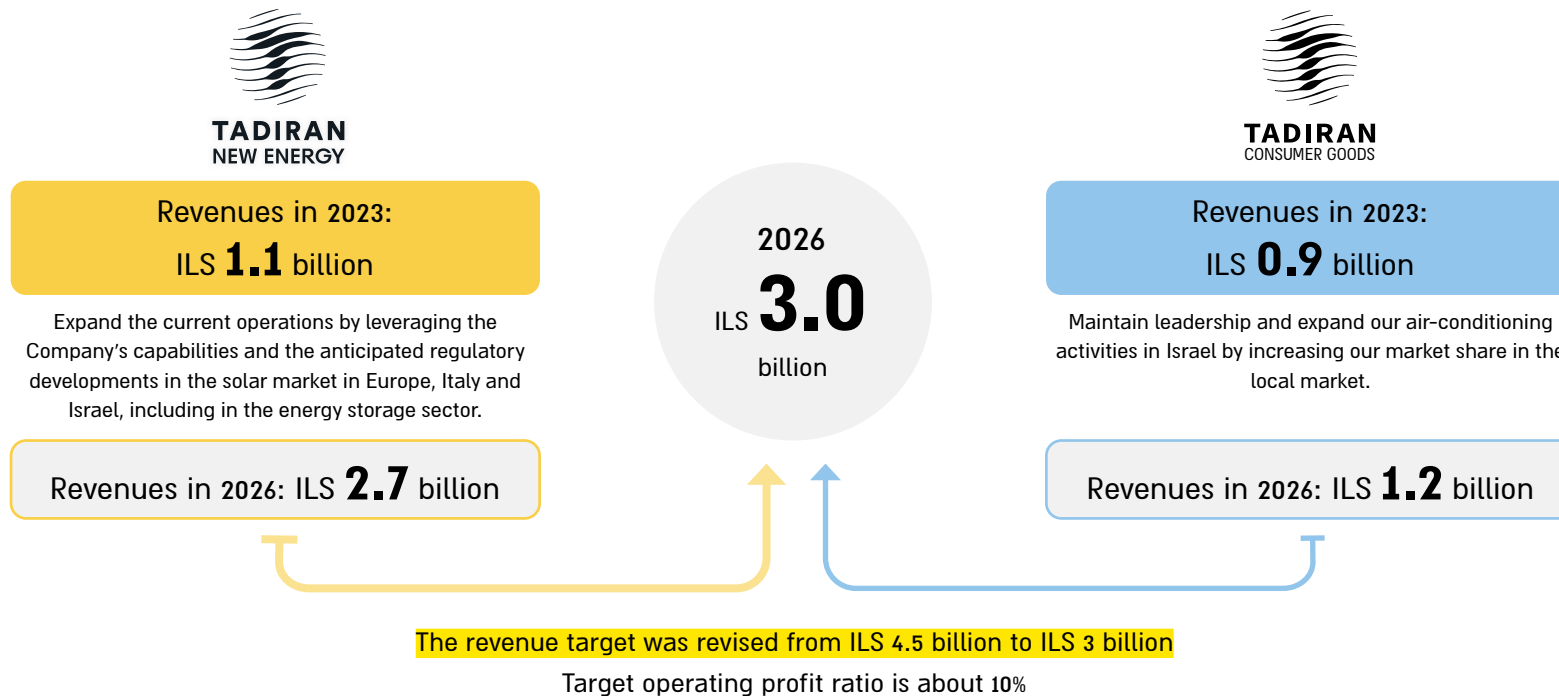
Key Milestones in the Company's Development – Entry into the Renewable Energy Sector



The Economic Impact

The Company reviews its goals and strategic plan from time to time according to changes in the business environment and the Company's activities. On July 8, 2024, the Company's board of directors revised the Company's strategic plan as follows:

The Company's Revised Strategic Plan for 2026



The information described above about the Group's targets and business strategy and the Company's assessments about the timing of its achievement of such targets and the way by which the targets will be achieved, including, inter alia, the Company's assessments about the growth potential inherent in the Company's various operating segments, inter alia, as a result of the regulatory developments in the renewable energy sector, entry of new products and technologies and the Company's assessments about its revenue target and operating profit ratio as stated above, is forward-looking information, as this term is defined in the Securities Law of 1968, which is based, inter alia, on the Group's targets correct to date, its assessments of the trends in the Group's businesses, particularly trends in markets in which the Group operates generally, and the Group management's assessments of the potential and trends in its operating segments. These assessments might not materialize and/or might materialize in a way that differs materially from the Group's assessments, inter alia, as a result of factors exogenous to the Company and not under its control, including, inter alia, developments and impacts of the Swords of Iron War, changes in the economic situation in the Israeli economy and in the market in which the Company operates in particular, trends and changes that could impact the volumes of demands for the Company's products, regulatory changes in Israel and in Italy, particularly in the renewable energy sector, or the materialization of any of the risk factors described in clause 38 of the Company's periodic report for 2023, which was published on March 18, 2024 (reference no.: 2024-01-023152) (hereinafter: "the Periodic Report").

Guidelines for Business Growth

Consumer Goods

Residential and commercial air conditioning	<ul style="list-style-type: none"> • Maintain our market leadership in the household segment • Expand our operations and achieve growth in the commercial and industrial segment
Expansion of the product range, innovation and development	<ul style="list-style-type: none"> • Diversify and expand our mix and range of products, including heat pumps • Develop and offer new products offering added value • Establish an innovative VRF production line at our plant in Afula
Reputation, professionalism and service	<ul style="list-style-type: none"> • Strengthen our leading brands and maintain their reliability and quality • Maintain and develop our customer service division in the various segments • Maintain our professional leadership according to the market trends, such as "Tadiran Xpert" (assistance and professional support in planning and implementing a variety of cutting-edge, complex air-conditioning solutions)
Suppliers, procurement and logistics	<ul style="list-style-type: none"> • Strengthen long-term business relations with leading suppliers • Diversify our pool of suppliers • Maintain and strengthen our distribution and logistics arrays • Improve and adjust our procurement terms according to trends in the market

New Energy

Photovoltaic systems (PV)	<ul style="list-style-type: none"> • Achieve growth in the Italian and European markets and expand our operations in the commercial and industrial market • Achieve growth in the Israeli solar energy market using our existing capabilities, coupled with regulatory developments encouraging the transition to renewable energy • Expand nationwide coverage by opening an additional branch in northern Israel
Energy solutions (energy storage and UPS), and EV charging solutions	<ul style="list-style-type: none"> • Expand our activities marketing UPS systems and expand our range of solutions for data centers and other electrical systems • Achieve growth in the energy storage sector in Israel and in Europe, using our existing capabilities, coupled with supportive regulatory developments • Achieve growth in the Italian and European markets and expand our operations in the commercial and industrial market
Aluminum	<ul style="list-style-type: none"> • Achieve growth in our manufacturing and trading of aluminum profiles and offer added value through an aluminum profile anodizing plant
Building cladding solutions	<ul style="list-style-type: none"> • Offer building cladding and curtain wall solutions and, in the future, penetrate the BIPV market
Fire protection solutions	<ul style="list-style-type: none"> • Expand our existing operations in Israel, Europe and the US

Financial Data

The Company's financial results for 2023 (in ILS thousands):

	2021	2022	2023
Total revenues	1,447,791	2,281,590	1,954,542
Gross profit	354,646	415,407	327,543
Operating profit	186,099	214,427	157,125
Net profit	141,470	87,235	96,213

For additional details about the financial performance for 2023, as specified in the Company's financial statements

>>>click here. (in Hebrew)

Dialogue with Our Stakeholders

Balanced and fair business conduct, which is based on transparency and ongoing communications with our stakeholders, is a core tenet of our Group. Dialogue is a significant tool for understanding needs, drawing conclusions from the field and for optimizing efficiency.

Our Stakeholders









Stakeholder	How we maintain dialogue
Customers	Our customers can contact us through a variety of means – email, WhatsApp and telephone. We pay the utmost attention to their queries and respond respectfully. We also provide professional training to our business customers in order to help them sustain high levels of professionalism and know-how.
Suppliers	We maintain constant, transparent and fair dialogues with all of our suppliers.
Government authorities	We maintain communications with government and regulatory authorities and operate in compliance with statutory provisions. We interact, inter alia with the Ministry of Energy and Infrastructure, the Electricity Authority, the Ministry of Economy and Industry and the Ministry of Environmental Protection.
The community and social organizations	Since the outbreak of the war, Tadiran Group has launched several initiatives to help residents of southern Israel and to support IDF soldiers deployed in the various fronts, including, inter alia, the operation of a dedicated call center to coordinate and expedite the handling of service calls and to provide technical support to the Company's customers living in southern Israel between Ashdod and Be'er Sheva (in particular instances, the Company even absorbs the cost of a technician's house call); the provision of assistance, solutions and support to installers of air-conditioning products in southern Israel; donations of food packages and basic products to soldiers stationed at IDF bases in southern Israel; donations of packages to soldiers deployed on Israel's northern border; donations of solar chargers for mobile phones, UPS systems, solar lighting for IDF assembly areas; donations of essential supplies to soldiers, etc.
Employees	Tadiran Group's employees are those who give the Group its unique character. Our dialogues with them are according to our open-door policy and inclusive culture of communications at eye level. The Group's HR department accompanies our employees and tends to their needs.

Our Approach to Corporate Responsibility

Promoting corporate responsibility inside and outside the Company is of utmost importance to us, as part of our Group’s vision of enabling a healthy and sustainable living environment through renewable energies, a comfortable climate and healthy air. We take action to improve and streamline manufacturing processes for products we manufacture, and to analyze the social and environmental impacts of our product imports.

Considering the importance that the Group attributes to corporate responsibility and to its implications for the Group’s operations and for the world, we appointed a regulatory affairs officer in 2023, who is also responsible for corporate responsibility in the Group.

Awards and Rankings

							
Superbrands Israel Award since 2019	EFFIE award for 2022 for an innovative marketing campaign with actor Morgan Freeman	Globes – high ranking in the Globe’s list of The 150 Best Employers in Israel	Brand – Israel Brand Award’s gold medal winner for 2022	BRAVO! – award in 2023 for excellence in service and customer experience	BRAVO! – award in 2023 according to consumer recommendations	The Israeli Institute for Innovation Assessment’s Innovation Award for 2024 – for excellence in the category of electronics, manufacturing and industry	Consumers voted Tadiran Supreme and our Airow technology, Product of the Year in 2022

Tadiran is included in Entropy’s ESG 100 Index, which is comprised of the 100 companies with the highest ESG ratings according to the Entropy research firm (among companies whose shares were listed in the Tel Aviv 125 Index for 2022).

Repercussions of the War*

On October 7, 2023, the terrorist organization, Hamas, attacked the State of Israel. During the brutal attack from the Gaza Strip, barrages of missiles were launched and thousands of terrorists swarmed into Israel and slaughtered residents of the western Negev and participants at the Nova festival. As a result of the brutal attack, the Israeli government declared the Swords of Iron War, which is continuing to this day (hereinafter: "the war"). The war is having major impacts on the entire economy, including, inter alia, as a result of evacuations of communities adjacent to the front lines in northern and southern Israel, temporary closures of businesses in these communities and massive callups of reserve forces.

During the first week after the outbreak of the war, as a result of the extreme uncertainty and profound mourning prevailing in the State, the Company's operations in Israel experienced a significant slowdown and some of its sites were temporarily closed. However, as of the second week of the war and to date, all of the Company's sites in Israel are operating routinely. Tadiran Group is handling this period of uncertainty with financial resilience and flexibility, low leverage and efficient inventory management.

"We believe – precisely during the difficult times that we are experiencing as a nation – that now is the time to reinforce local industry and development, and to drive the Israeli economy forward. Tadiran is a company with roots in Israel, which has been developing and manufacturing Israeli-made goods for several decades already. The months of warfare have prompted every Israeli to recognize the importance and need for "blue and white" (Israeli-made) industry and technology that will enable Israel to operate independently and not depend on imports from abroad."

Sharon Shuster, manager of our manufacturing plant in Afula

* Additional information about the impacts of the war on the Company's operations appears throughout this report.

Material Reporting Topics

List of Material Topics



Environmental

- Upgrading and improving the Group's products
- Energy efficiency in products and in the Company
- Circular economy and waste management
- Management of greenhouse gas emissions



Social

- Intraorganizational dedication and initiatives
- Occupational health and safety
- Customer safety and satisfaction









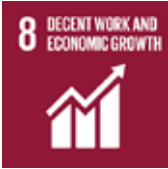
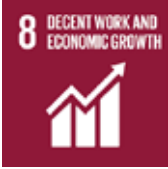
Corporate Governance




- Ethical business conduct
- Data security and privacy protection
- Responsible supply chain management
- Adapting to changes and adjusting our business models

* For elaboration about the selection of material topics, see the section "About this report."

Attributing the Material Topics to the UN's SDGs

Material Topic	SDG's	Details
Upgrading and improving the Company's products		<p>9.1, 9.5, 3.9</p> <p>We have been providing high-quality air-conditioning solutions and household consumer goods for more than 60 years. We have been taking action ever since to create technological innovations, to strengthen local manufacturing and to enable millions of Israelis to enjoy high-quality air conditioning all year round. We are determined to continue to positively impact health and quality of life through our HVAC products that enable living spaces free of airborne pathogens.</p>
Customer safety and satisfaction		<p>As part of our efforts to ensure good health and wellbeing, we actively promote occupational health and safety among our employees and the safety of our customers who use our products.</p>
Energy efficiency in products and in the Company		<p>7A, 7.1, 7.2</p> <p>The Company is taking action to increase the global percentage of renewable energy by investing in companies engaging in solar energy and by creating collaborations to promote advanced, clean energy technologies.</p>
Circular economy and waste management		<p>12.5, 12.6</p> <p>As part of our responsible resource management efforts, most of the waste produced at the Group's sites during manufacturing is transferred for recycling or reuse with the goal of promoting a local circular economy.</p>

Material Topic	SDG's	Details
Management of greenhouse gas emissions		<p>13.1, 13.2</p> <p>Refrigerant gases for air conditioners are greenhouse gases having a deleterious impact on the environment. As a result, manufacturers are switching to a new refrigerant, R32. In Israel, Tadiran is prepared to switch to R32 and is waiting for regulatory developments that will enable its use.</p>
Intraorganizational dedication and initiatives		<p>17.17</p> <p>We believe in retaining, developing and promoting employees within our Group, and encourage intraorganizational initiatives through a platform dedicated to promoting and managing initiatives.</p>
Occupational health and safety		<p>8.8</p> <p>Tadiran considers employee health and safety to be of supreme importance and an essential precondition to achieving the Group's goals.</p>
Data security and privacy protection		<p>Cyberattacks are the main threat to data security and therefore, Tadiran's cybersecurity steering committee manages cyber risks and prepares for emergencies by taking action to prevent cyberattacks</p>

Material Topic	SDG's	Details
Adapting to changes and adjusting our business models		We are attentive to the Company's stakeholders and maintain ongoing dialogues with them as part of the Group's flexibility and financial resilience.
Ethical business conduct		16B, 16.1, 16.5 We consider ethical business conduct a fundamental, essential condition for ethical business excellence.
Responsible supply chain management		17.7, 17.16 Thanks to efficient inventory management and long-term relations with our suppliers, we have succeeded in maintaining stable activities in our supply chain, even during the Swords of Iron War.



Climate and Environmental Quality

We recognize our responsibility for protecting human health and the natural environment, and decisions we make demonstrate our commitment.



The company's vision
"To enable a healthy and sustainable living environment through renewable energies, a comfortable climate and healthy air, while sustaining our positioning as a leading company in the residential and commercial air-conditioning sector in Israel."

Tadiran Energy Solutions' Offices

The Caesarea business park is one of the largest and most advanced business complexes in Israel and is on par with international standards of design, development, construction and quality of life. Tadiran Energy Solutions, which is headquartered near the business park, is part of the leading business community in this complex that encourages environmentally-friendly industries, which is consistent with the Group's vision and supports a better living environment.

Global Impacts of climate Risks

Global awareness of the dangers deriving from climate change processes, coupled with the current and future efforts to stop global warming by reducing greenhouse gas emissions, will prompt the Israeli and global energy economies to accelerate the production of renewable energies. Furthermore, trends such as the hikes in electricity prices in Europe, the impact of the energy crisis, and emergencies such as the Russia-Ukraine war and the war in Israel, have triggered a significant rise in demands for solar energy systems (particularly residential systems).

Promoting the use of renewable energies is part of a global effort to reduce greenhouse gas emissions. These gases play a significant role in the rise in the average temperature on Earth and in the climate change process, and therefore, countries worldwide are aiming to reach net zero emissions by 2050.

As part of expanding our activities in the renewable energy solutions market, the Company is taking action to assume the lead in the BIPV segment (building-integrated photovoltaics). Tadiran Arava engages in the planning and execution of aluminum cladding and curtain walls and is preparing to commence operations in this segment through its first pilot project. It should be noted that this operating segment is in its initial stages in Israel and, correct to the date of this report, Tadiran Arava has no current activities involving BIPV, apart from the aforementioned pilot.



Renewable Energies

Tadiran Group has joined the global and local mission to promote the use of clean energy, and is taking action to provide a complete one-stop-shop solution in the field of renewable energy. As a country rich in sunny days, Israel has considerable potential for developing its solar energy industry and the energy storage market. We advocate promoting and standardizing the use of renewable energy and solar energy, particularly in the private and commercial markets. In recent years, the Company has continued to accelerate its activities in the renewable energy sector while expanding and acquiring companies engaging in various segments of this sector: Tadiran Energy Solutions, Tadiran Solar, VP Solar, Tadiran Aluminum and Tadiran Arava. These acquisitions and the deepening of our activities in the renewable

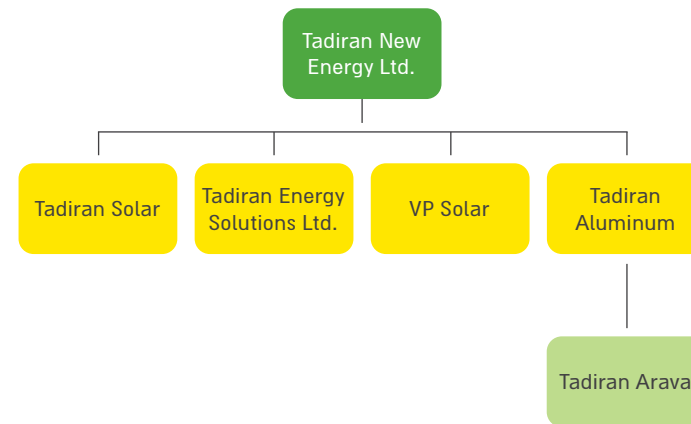
energy sector are consistent with the Company's vision – to enable a healthy and sustainable living environment through renewable energies.

Building Low-Carbon Energy Systems

Our revenues from the renewable energy operating segment totalled about ILS 1.1 billion in 2023.

In 2022 and 2023, Tadiran Group sold solar energy system products and services (through Tadiran Solar in Israel and through VP Solar in Italy) at the volume of about 538 megawatts – which may lead to the prevention of about 198 tons of CO₂eq¹ from being emitted into the atmosphere.

The Renewable Energy Division



¹ Assuming that that quantity of electricity was being consumed from a fossil fuel energy source.

Renewable Energy Products and Services



BIPV



UPS systems



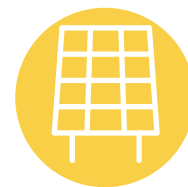
EV charging solutions



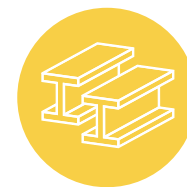
Energy storage



Inverters



Solar panels



Mountings

Photovoltaic (solar energy) systems in Israel and in Italy: Tadiran Solar markets products for solar energy systems: solar panels, aluminum mountings for installing solar panels on roofs, solar energy inverters and power optimizers.

VP Solar markets products for solar energy systems in Italy: solar panels and mountings (which are purchased as finished products), inverters and optimizers, batteries for storing the electricity generated by photovoltaic systems, heat pumps and EV charging stations.

Energy storage systems: The Company markets energy storage systems in Israel through Tadiran Energy Solutions and Tadiran Solar. These systems enable electric energy to be converted into storable energy. The energy storage systems that the Group sells support the supply of electricity at various wattages depending upon the intended use: energy storage for residential use, for the industrial and commercial sector and high-power energy storage (such as solar fields).

Solutions for managing EV charging stations: EV charging stations at various powers that include systems to manage EV charging – prioritizing, logging of consumption data and billing.

Solar energy solutions for buildings: Tadiran Arava is taking action to integrate solar panels into building envelopes and to offer full renewable energy solutions to the BIPV market. BIPVs use a building's façade to increase the surface used to generate solar energy. This operating segment is in its initial stages and Tadiran Arava is currently beginning its first pilot project.



As part of realizing its vision, Tadiran Group acquired VP Solar in 2022. VP Solar is a private company registered in Italy, which markets photovoltaic energy generation systems and energy storage systems, primarily to the European market. VP Solar markets and distributes renewable energy products to the residential and institutional / commercial markets, including solar panels, inverters, energy storage systems, heat pumps and EV charging stations.

VP SOLAR

VP Solar has been distributing renewable energy and energy-saving systems and components since 1999. Over the years, VP Solar has become a reliable supplier to the B2B market in Italy, due to its expertise in providing innovative and unique solutions to its customers.

Environmental Responsibility

VP Solar manages its business operations according to core values, including the principle of sustainability. VP Solar promotes corporate responsibility initiatives and takes action to improve its performance in relation to environmental, social and corporate matters.

- **Green vehicles** – 83% of VP Solar’s vehicles are either electric or hybrid vehicles.
- **Green energy** – 50% of VP Solar’s electricity consumption is from renewable energy sources, while the remaining 50% is from natural gas. Its warehouse is operated solely with electricity instead of gasoline or diesel fuel. VP Solar intends to fully transition to consuming electricity from renewable energy sources in all of its offices by the end of 2025.
- **Energy efficiency** – VP Solar is restricting its consumption of electricity in the spring and fall by using smart temperature-management technologies in its offices.



Sustainability in Consumer Goods



We have been providing high-quality air-conditioning solutions and household consumer goods for more than 60 years. We have been taking action ever since to create technological innovations, to strengthen local manufacturing and to enable millions of Israelis to enjoy high-quality air conditioning all year round.

We are determined to continue to positively impact quality of life through our air-treatment products that enable healthier living spaces. We are also attentive to our customers' needs, consider the various environmental factors and work diligently to create innovative, advanced and environmentally-friendly solutions.

Our Range of Green Solutions

The Group offers a wide variety of air-conditioning products to the private market and to the commercial market that are customized according to our customers' needs and the character and needs of their buildings. Our website provides up-to-date professional information to our customers to help them choose the right product for each space.

Our air conditioning and water heating solutions:

The SENSE line features VAF technology to provide a quiet solution and a unique control system enabling customers to set the optimal temperature for each room and enjoy significant energy savings.

The INVIZ line of concealed air-conditioning systems harmoniously integrates with the design of the building and maintains its aesthetic appearance. This innovative system features cutting-edge technology, a uniquely-structured condenser developed by Tadiran's engineers and a variety of unique advantages, including a concealed aesthetic appearance.

The VRF inverter solutions feature twin cylinder DC inverter compressors that are especially efficient and economical due to their low power consumption and enable savings in annual electricity expenses compared to other air conditioners. Each unit contains inverter-technology compressors enabling equitable energy distribution and balanced resource management, making them highly effective.

For our catalogue of air-conditioning products for 2023, [click here](#).

The new Prime VRF line: We established state-of-the-art facilities at our Afula plant this past year for the manufacture of condensers for mini-VRF systems. In conjunction with the internal units also being manufactured at our plant, we offer considerable advantages with our superior-quality solution for the needs of consumers in Israel. Our product production and testing processes are among the most advanced in the world and are adapted to the production systems of the leading companies in the field. We are proud to be trailblazers in the manufacture of our VRF systems and in "blue and white" VRF systems bearing a "Made in Israel" mark.

Chillers – our line of chillers uses a closed system of pumps and pipes to circulate cooled water throughout the building to every room and space needing air-conditioning. Our chiller system features a long product life (up to 15–20 years), and is highly reliable and energy-efficient.

In addition to our Prime VRF, we are also proud to provide cutting-edge water heating solutions:

- **Hybrid system** – in addition to providing climate control, our Hybrid system provides a water heating solution for residential use. Our hybrid system utilizes the residual heat emitted by the air conditioner and channels it through two pipes to a heat exchanger that heats the water contained in the water tank. Our hybrid system thus prevents undesirable heat emissions by channeling the heat generated as a byproduct of operating the air conditioner and reduces consumption of other types of energy (such as electricity).
- **WATEC heat pumps** – our WATEC system is a residential water-heating solution. A common problem in high-rise buildings is that the hot water does not always reach all of the floors. This advanced green solution offered by the Group contributes to the environment and complies with the new regulations obligating contractors to switch to using energy-saving water heating systems.



פתרונות חימום מים



Estimated financial savings using Tadiran's environmentally-friendly WATEC system compared to other water heating alternatives



is about **87%** compared to gas (LPG)

and about **64%** compared to electric water boilers (200-liter)

Water-heating alternative	Estimated annual cost
WATEC 150-liter system	ILS 614
Gas	ILS 4,807
200-liter electric boiler	ILS 2,000

** According to tests and calculations performed by the Company's engineers. The cost data are estimates and may vary depending upon various factors. The actual savings also depend on the type and volume of use and naturally could vary significantly.

Air Purification Technology



TADIRAN AIROW – innovative air-purification technology using hydrogen peroxide. This technology is based on patents registered in Israel and in other countries. The technology uses an electric current to convert some of the water molecules present in the air as moisture to hydrogen peroxide molecules, which attack and destroy airborne bacteria. By developing this technology, Tadiran enables consumers to not only enjoy an air conditioner that cools or heats, but also keeps the room free of airborne pathogens.

? How does it work?

Tadiran Airow technology uses the **Airow** component installed in the air conditioner to separate the **O₂** into two single **O** (oxygen) atoms using an electric current. The free oxygen atoms combine with **H₂O** (water) molecules naturally present in air, and are converted into **H₂O₂** (hydrogen peroxide). Hydrogen peroxide is dispersed throughout the air-conditioned space and purifies the air.

Revolutionizing Indoor Air Quality



Patented Technology

International patents: Automatic self-cleaning mechanism and usage method



Maintenance-free

No maintenance or additional cost



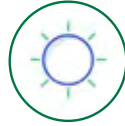
Plug & Play

Easy to install in ducted air conditioning systems



Ozone Free

Verified to meet the ozone requirements of standard UL 867 and approved by CARB



Action Indicator

Built-in monitoring cycle to indicate operation with low-energy consumption



Tadiran is Ready to Switch to R32 Refrigerants

Air-conditioner refrigerants are greenhouse gases having a deleterious impact on the environment. To illustrate: R410 refrigerant emissions have a Global Warming Potential (GWP) of 2088, compared to R32 with a GWP of 675. Although R32 is environmentally friendly, it is considered hazardous to use, since it is flammable. Regulations authorizing the use of R32 in Israel have not yet been enacted.

Tadiran deems it of utmost importance to provide professional training to its air-conditioner technicians to further enhance the efficiency and reliability of their profession. Highly skilled, professional and reliable air-conditioner technicians will be able to install air conditioners with optimal precision, thus eliminating the risk of a gas leak that could cause accidents or fires. Therefore, we are promoting a technician's course specializing in working with R32 in preparation for the enactment of regulations authorizing its use in Israel.

In light of this, and depending upon the regulatory changes taking place in Israel, the Company is advancing the establishment of a production line for the new R32 refrigerant. Among the actions that the Company is taking:

1. In our R&D department we are switching to using equipment customized for R32 gas; developing suitable electronic control mechanisms; purchasing air-conditioner components designed to operate with R32; conducting development trials of air-conditioners adapted for using R32; and performing risk assessments with the assistance of our safety officer.



2. In our plant we are installing a gas pipeline from the storage tanks (outside the plant) to the production lines; designing and building a refrigerant leak-monitoring system, including an evaporation system; purchasing a refrigerant filling machine; upgrading our welding system to an ultrasonic system; and performing risk assessments with the assistance of our safety officer.

3. In our service department, we are purchasing equipment that is compatible with R32 and providing training to our employees.

Environmental Projects

The Group is advancing unique solutions to reduce waste and reduce our consumption of resources, such as:



Save our forests – circular design for condenser pallets

Wooden pallets are customarily used to transport double-decker condensers to customers' homes and are then discarded.

In response to the need to reduce pallet waste, Tadiran Consumer Goods is developing a solution of a plastic-legged stand, which is added during assembly of the condensers and serves as a standard permanent stand for the condensers in customers' homes. This stand will be used as a platform during transport of the condensers to customers' homes and as a standard component when assembling the condensers in customers' homes, which will also eliminate the need for rubber legs or an iron stand. This development process began in 2021 and is now in its final stages.

This solution is expected to lead to a reduction of up to about **15,000 wooden pallets per annum.**

Replacing packaging for electronic control mechanisms

Electronic controllers for air conditioners are individually packaged with polystyrene foam insulation. These packages cause a considerable volume of waste, difficulties finding a solution for the waste and also produce superfluous work during unpacking. In collaboration with the controller manufacturer, Ruking, we designed recyclable cardboard packaging with a honeycomb configuration to hold a large number of controller components. The new packaging configuration will provide a comprehensive eco-friendly solution for the difficulties posed by the existing polystyrene foam packages. The first prototype of the product was produced in 2023, and shipments with the new packaging configuration will begin arriving in 2024.

This solution will result in eliminating up to about **8,000 units of polystyrene foam per annum.**





Environmental Dialogues with Regulatory Entities

We believe that maintaining ongoing dialogues and data exchanges with government and regulatory entities help to achieve our common goal of protecting the environment. We advocate transparency and collaboration on environmental subjects for the purpose of advancing sustainable processes and appropriate environmental regulations.

We work with numerous entities, including:

The Ministry of Energy and Infrastructure – this ministry is responsible for achieving the government’s targets for generating electricity from renewable energy sources. The ministry also outlines the general policies and laws governing the renewable energy market in Israel. As part of Tadiran Group’s extensive involvement in the renewable energy market, it maintains ongoing communications with the ministry’s representatives.

The Electricity Authority – this authority is responsible for regulating the electricity economy in Israel. The authority sets the rules and regulates the reforms that shape and affect the renewable energy market in Israel. We at Tadiran Group maintain ongoing dialogue with the authority’s representatives following hearings that the authority publishes.

The Ministry of Economy and Industry – is responsible, inter alia, for allotting air-conditioner refrigerant gases to the air-conditioner industry, for regulating imports of electrical goods to Israel and for supervising consumer goods in

Israel. The Group maintains ongoing communications with the ministry’s representatives, in relation to both allotments of air-conditioner refrigerant gases and imports of consumer goods and air conditioners.

The Ministry of Environmental Protection – the ministry conducts environmental audits from time to time, which inspect the work processes in organizations, compliance with procedures and the existence of the requisite permits for particular activities. We are diligent about cooperating during the said audits. We also issue an annual report to the ministry about package waste and electronic waste.

M.A.I. (Israel Electronic Waste Corporation) – we fulfill our obligations pursuant to the Electronic Waste Law and the Environmental Handling of Electric and Electronic Waste and Batteries Law of 2012. We publish an annual report containing quantitative data about electronic waste that we transfer to M.A.I. for further handling.

Ecommunity (social corporation for the recycling of electronic waste) – we fulfill our obligations pursuant to the Electronic Waste Law and the Environmental Handling of Electric and Electronic Waste and Batteries Law of 2012. We publish an annual report containing quantitative data about electronic waste that we transfer to Ecommunity.

Infinya Recycling (formerly Amnir) – Infinya is a member of the Hadera Paper Group and engages in the collection and recycling of paper, cartons and other materials. We transfer paper and carton waste from our sites in Afula to Infinya for recycling.

T.M.I.R – Manufacturers' Recycling Corporation in Israel – in conformity with the Packaging Law, we work with the Tamir recycling corporation for the purposes of recycling package waste from the various products.

Israel Green Building Council – we are members of the ILGBC, the leading entity advancing healthy, high-quality and accessible green building and a sustainable environment for all residents of Israel, by collaborating with professional bodies and decision-makers responsible for planning and building processes in Israel in order to create environments responsibly for the wellbeing of the residents, society and the environment.

Manufacturers' Association of Israel – we are members of the Manufacturers' Association and maintain partnerships with other organizations in the economy with regard to decisions at the political and economic levels.

Federation of Israeli Chambers of Commerce – we are members of the federation, which takes action to advance the business sector in Israel and represents companies of all sizes in all sectors of the Israeli economy.

Evaluating Suppliers in Relation to Environmental Aspects

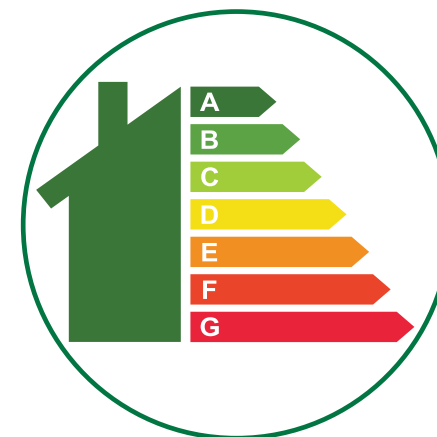
The Group attributes considerable importance to suppliers with whom it chooses to cooperate and to the social and environmental aspects of these suppliers' operations. We work with leading suppliers around the world in the fields of electrical and energy products. Tadiran imports many of its energy products from Jinko Solar, which also assumes high environmental responsibility. The products that it manufactures are characterized by high energy efficiency. Jinko Solar invests considerably in sustainable development and in manufacturing products with ISO-14001 certification.² Jinko Solar won PV Magazine's 2020 Annual Module Award.



Green Standards

As part of our commitment to enable a safe, high-quality living environment, clean air and high-quality products, we prefer products with higher energy-efficiency levels and bearing an A+ rating.

EU Energy Label – This label is issued to electrical consumer goods. The product rating is on a scale from A (green) to G (red), whereby products bearing an A (green) label attest that they consume less energy – making them also more economical than products bearing a lower-rated label.



Compliance with Environmental Regulations

The Company strictly complies with the statutory requirements. The Company holds all requisite toxins permits. During the report period, there were no material violations of environmental regulations, there were no legal or administrative proceedings against the Company, and no fines or material claims against the Company in relation to environmental matters were received.

² Jinko Solar Holding Ltd. CSR Report 2020.



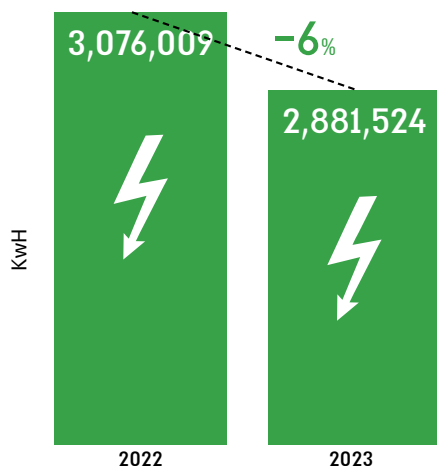
Resource Management

Energy

We work hard to increase the energy efficiency in our plants, services and products. We also monitor our energy consumption, improve our energy efficiency and continue to advance environmental innovation in our products, as well as consumer education about using our products in an informed manner.

Electricity consumption

Electricity consumption 2022-2023.



In 2023. We reduced our total electricity consumption by about 6% compared to 2022.

* The electricity consumption data relate solely to the Company's operations in Israel.

Reducing energy consumption

We are constantly advancing processes and analyzing measures to increase energy efficiency, such as:



Installing a central control system for our air-conditioning and lighting systems at the Company's offices in Petach Tikva, which we use to turn off the systems during and at the end of the work day in order to save energy.



Switching to natural gas – the production line at our aluminum plant uses natural gas in a completely automated process, including controllers to optimize and regulate the energy supply to the machines according to use.



Hybrid and Electric Vehicles

We are advancing processes to reduce the Group's fuel consumption, and are switching to using hybrid and electric vehicles. The Company's sites all use electric forklifts. Furthermore, in relation to private vehicles, we are sending an initial survey to our employees in order to ascertain the demand, and we installed EV charging stations. In order to ensure that the Group efficiently switches to electric vehicles, we are also examining engagements with external companies to assist us in this regard.

In 2023, out of the Group's fleet of vehicles,

about **21%** were hybrid
and about **2%** were electric.



Total Energy Consumption*

Energy consumption in the organization – GJ	נתון	2022	2023
Fuel consumption from nonrenewable sources (by type of fuel)	Gasoline	11,231.59	13,745.36
	Diesel	12,023.05	12,247.40
Fuel consumption from renewable sources (by type of fuel)	סוג דלק (למלא במידת הצורך)		
Consumption	Electricity from nonrenewable sources	11,073.63	10,373.49
GJ of energy consumption in the organization	GJ per employee	60.65	63.03
Total energy consumption in the organization		34,328.27	36,366.24

* The energy consumption data relate solely to the Company's operations in Israel.

Emissions

Greenhouse Gas Emissions*

Greenhouse gases resulting from the Company's operations are emitted both from the production lines and from the Company's laboratories. We deem it of considerable importance to reduce emissions of greenhouse gases into the atmosphere and are advancing actions to reduce our contribution to global warming by increasing the energy efficiency in our offices and plants, investing in renewable energies and promoting initiatives to reduce the release of greenhouse gas emissions.

Greenhouse gas emissions (tons of CO ₂ e per work hour)	2022	2023
Scope 1*	2,696	4,076
Scope 2	1,446	1,355

* The data on scope 1 and scope 2 greenhouse gas emissions relate solely to the Company's operations in Israel.

* Scope 1 partially represents data about refrigerant gases used in the Company's air-conditioner manufacturing plant.




Reducing Greenhouse Gas Emissions

Switching to natural gas – we connected our new plant, Tadiran Aluminum, to a natural gas pipeline, at a considerable financial investment, in order to reduce greenhouse gas emissions by consuming natural gas.

Gas recycling in production – our Afula plant operates a system to recycle air-conditioner refrigerant gas from the production lines by channeling the gas into new condensers, so as not to release the gas into the open air. For this purpose, a gas recycling system was installed in an external tank and the gas accumulating in the tank is channeled to the development laboratories for product development purposes.

Gas recycling in our development laboratories – our development laboratories have a multi-use gas tank that collects any gases released during testing of an air-conditioning system.

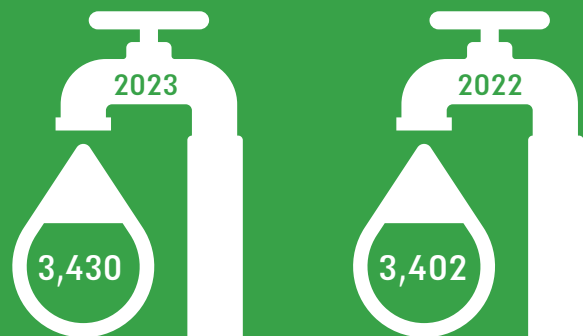
Reducing the release of refrigerant gas in our development laboratories – during the development process, there is a need to frequently change the refrigerant gas nozzle until the optimal nozzle for the unit being tested is found. During this process, it is necessary to empty the refrigerant gas from the unit, to weld on a new nozzle and then refill the unit with new refrigerant gas. At the initiative of an employee in the development department, we built a bypass faucet for changing the nozzle in order to prevent gas from being emitted into the environment and prevent environmental pollution. Beyond the environmental benefit, the initiative resulted in financial savings estimated at about ILS 50,000 per annum.



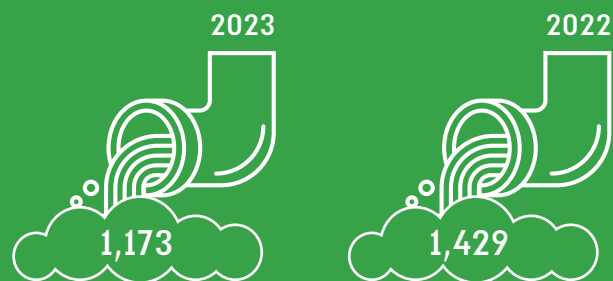
Thanks to these initiatives, according to our assessments, we succeeded in reducing emissions of refrigerant gases into the air by a total of about 5 tons of refrigerant gas per annum.

Water and Sewage*

Freshwater



Sewage disposal



* Data on water consumption and sewage disposal relate solely to the Company's operations in Israel.

Waste Management

Total waste*

Waste	2022	2023	Disposal destination
Solids for landfill (m ³)*	55	28	Municipalities
Recycling*			
Paper and cartons (tons)	1,549	210	T.M.I.R.
Wood (tons)	5	25	T.M.I.R.
Plastic (PS) (tons)	87	0	T.M.I.R.
Plastic (HDPE) (tons)	7	0	T.M.I.R.
Metal (tons)	50	63	External contractor
Electronics (tons)	22,975	22,072	M.A.I. (50% is sent for recycling)
Batteries (tons)	490	237	M.A.I. (50% is sent for recycling)
LED lights (tons)		0.16	Ecommunity (social corporation for the recycling of electronic waste)
Energy storage and UPS systems (tons)		9.33	
Inverters and sundry (tons)		0.24	
UPS systems for home computers (tons)		17	
Car batteries		208	

* The landfill data relate solely to Tadiran Solar's operations.

* Data on total waste relate solely to the Company's operations in Israel.



Electronic waste – we at Tadiran, as manufacturers and importers, comply with the provisions of the Electronic Waste Law and submit a list of all electric, electronic and battery-operated products that we manufacture or import and that we transfer for disposal to entities recognized by the Ministry of Environmental Protection.

Waste Recycling and Reuse

In 2022 – 2023, most of the waste collected in the Company was transferred for recycling. We dispose of ferrous and non-ferrous metal waste from the Company's plant in Afula through an external contractor for purposes of recycling and reuse.

In addition, aluminum scrap at all of our sites is collected and sold for reuse. In 2023, about 34 tons of aluminum and about 6 tons of copper from the Afula plant operations were reused.

Reducing Waste

Ecofriendly project to eliminate our use of Styrofoam – up until 2023, air-conditioner condensers used to arrive in packages protected by 4 pieces of Styrofoam (two on the condenser lid and two on the bottom of the package). Since Styrofoam is a material that causes environmental harm, both during its production process and upon its disposal, we launched an ecofriendly project

to reduce our use of Styrofoam, in collaboration with a local cardboard manufacture, by replacing Styrofoam with cardboard as the protective material. As a result, the Group had no Styrofoam waste in 2023.

Paperless project – we are taking action to reduce our use of paper and are advancing such actions as: using barcodes to reduce printing; implementing a "supplier portal" to generate green invoices and digital signatures; and considering a computerized customer credit process.



Operational Excellence

Occupational health and safety are of utmost importance to Tadiran and constitute an integral part of every business activity and essential preconditions to achieving the organization's goals



The Company's Policy

We promote a safe work environment and do everything possible to prevent work accidents and harm to our employees' health. Our approach to maintaining safety, environmental quality and excellence in our work is based on preventing accidents and harm to our employees' health by methodically identifying risk factors and assessing and mitigating risks. We take various actions to implement this policy in the organization, including:

- **Management involvement** – senior managers are required to hold safety talks, and to lead by personal example and by being involved in the field.
- **Employee interactions with the plant safety committee** – this committee regularly communicates with employees about a range of topics, including updates to safety procedures, safety tours, informing employees about risks, etc.
- **Conducting regular safety inspections at Company sites** – to check for various deficiencies and inspect the degree of compliance with requirements and standards.
- **Risk assessments** – we take action to minimize identified risks, such as by being diligent about maintaining safe work tools and equipment and about the use of personal protective equipment.

Operational Safety and Efficiency

Tadiran Group has a general safety officer and each of the Company's sites has a site manager, a site safety officer and a safety dossier (safety management plan).

We ensure our employees' safety during work processes and take such measures as safety signs, work boots, required safety gear, etc. We also ensure the safety of plant buildings and work stations. For example: all production machines at the Company's Afula plant are protected by double protection systems.

Safety Training*

Every year, we provide training and continuing education courses as well as new courses and refresher courses on safety topics to employees and managers, according to their roles. Every new Tadiran employee undergoes safety training.

Year	Number of trainees	Hours of training	Average hours of training/trainee
2022	349	386	1.1
2023	287	324	1.1

* Data on safety training relate to Tadiran's activities in Israel.

Safety Incidents

We advocate a culture of reporting safety incidents and "near miss" incidents, which constitute an opportunity for learning and drawing conclusions. In 2022, there were 13 safety incidents in the Group and, in 2023, there were 12.

Product Safety and Quality

Beyond our obligation to operate in compliance with all statutory requirements, with regulations, standards and requisite specifications during our operations, including in relation to environmental protection and occupational health and safety, we set high standards for ourselves regarding the quality, reliability and service of our products. We also comply with ISO 9001 – the quality standard for air-conditioner development, manufacturing and service-provision.

Occupational Health Services

Employees at our plants are exposed to machine noise. Accordingly, we provide them with protective gear, such as noise-cancelling headphones or ear plugs, as well as annual hearing tests.

Marketing and Labelling of Products and Services

An uncompromising demand for quality and professionalism is a core principle that guides us during our operations. Accordingly, we are committed to operating in compliance with all relevant requirements and standards.

Certifications and standards:



ISO 9001 – quality standard for air-conditioner development, manufacture and service-provision.

Data Security and Confidentiality

Protecting customers' privacy and data security occupies a central position in the Company's considerations in our evolving technological world that poses substantial internet challenges and cybersecurity risks such as leakage of sensitive business information about manufacturing processes, financial statements, agreements, transactions, employees, customers, etc.; or full or partial shutdown of the Company's systems.

At Tadiran, information security is managed by the Information Systems and Technologies Division, which prepares for existing cyber risks and protects against cyberattacks by using double defense systems, improving existing systems, fine-tuning procedures and increasing employee awareness through periodic training and through courseware provided to all employees.

In addition, a committee convenes biannually that includes representatives from the Cybersecurity, Privacy Protection and Business Continuity Steering Committee. The committee reports the main incidents and the actions taken and decides what actions must be taken in order to augment the security array. In addition to complying with statutory requirements, we conduct resilience tests with external parties and test systems and applications using an automated system that simulates cyberattacks and conducts tests.

Quality, Safety and Environmental Audits, Reviews And Inspections

During 2022-2023, 36 internal and external audits were carried out, such as safety and environmental audits, standard marks and ISO inspections of adherence to quality standards. During our internal audits, we require corrective actions only, which will be re-examined during the next audit. We successfully passed all external audits.

To improve product quality, we regularly monitor complaints in our customer service system about the various products that the Company markets.



Goals for the Future

We strive to improve and upgrade ourselves every year by setting goals that are reviewed annually. Following are safety targets we set for ourselves for 2024:

- To adhere to our training program
- To investigate 100% of work accidents
- To ensure that 100% of employee hires have training and certification



Responsible Supply Chain





Responsible Green Supply Chain

Tadiran's operations include the import, marketing, distribution and manufacturing of air conditioners and the import, marketing and distribution of electrical consumer goods and renewable energy products, such as solar energy systems, energy storage systems and EV charging systems.

Our plants in Afula (Tadiran Consumer Goods), Kiryat Gat (Tadiran Solar) and Tziporit (Tadiran Aluminum) perform various processes to process metals and copper pipes for production. These processes include various metal processing tasks using lathes, presses, bending machines, marking machines, etc. Some production activities involve the use of many raw materials and components imported from the Group's various suppliers. Therefore, we consider it essential that we manage a responsible and green supply chain that helps maintain the quality, continuity and efficiency of our production processes.

We are diligent about acting fairly towards our suppliers and maintain constant dialogues with them in order to cultivate and maintain long-term business relationships with them.

Suppliers

A significant ratio of the procurement and supply chain of raw materials and components needed for the Group's operations is obtained through imports from major, leading suppliers abroad, since the raw materials and components we require for manufacturing are not readily available in Israel.

Preferred Suppliers – Responsible Green Procurement

When selecting suppliers, we evaluate, inter alia, their products according to their energy efficiency rating in order to ensure the highest rating possible. We also conduct tours at the Company's principal suppliers to inspect the quality of their products, to verify compliance with standards and work procedures and the protection of human rights. We expect all of our suppliers to commit to the same standards of social and environmental responsibility as we do.

- We encourage "Made in Israel" – as "blue and white" manufacturers, we recognize the importance of local manufacturing and support local businesses for the supply of raw materials, components and services that are available in Israel, such as employee transportation, catering contractors, raw material suppliers, etc.
- In 2022, about 31% of our suppliers were local suppliers; in 2023 – about 63%.





Evaluating Suppliers in Relation to Environmental and Social Aspects

The Group attributes considerable importance to suppliers with whom it chooses to cooperate and to the social and environmental aspects of these suppliers' operations and carries out supplier evaluations through external reviews. We also define environmental requirements for suppliers, such as reducing packaging materials.

Business Continuity During the Swords of Iron War

The war has posed significant economic, operating and environmental challenges. This is especially true for our procurement department and our suppliers, especially small suppliers, who face more severe operating difficulties. The Houthi threat from Yemen has caused numerous disruptions in supply chains around the world and throughout Israel in particular. Many cargo ships have had to alter their course to significantly longer trade routes than their regular route along Yemen's coastline, and many have opted for air freight-forwarding as an alternative. In addition, restrictions have been imposed on imports from China. These factors have led to substantial delays in the supply of various materials and to substantial price hikes.

Thanks to efficient inventory management and those long-term relationships with our suppliers, we have succeeded in maintaining stable activities in the supply chain. Since the second week of the war and to date, all of the Company's sites in Israel are operating routinely. Tadiran Group is handling this period of uncertainty with financial resilience and flexibility, low leverage and efficient inventory management.



Customer Service



Our SLA

"We, Tadiran's management and employees, believe that Tadiran, as the leading air-conditioning company over the years, are committed to providing the best value for installers and to maintaining direct contact with you (our customers) over time on the basis of complete trust. We undertake to provide you with high-quality and efficient service based on fairness, availability, professionalism, R&D and advanced technology. We will exert every effort to provide you with the best service you could expect to receive."

Taken from Tadiran's SLA

Tadiran's Service Approach

- **Decency:** We consider personal decency as a business value and are committed to acting with integrity, honesty, fairness and reliability towards our customers.
- **Availability:** It is important to us to be available and provide continuous efficient responses to our customers. Our customer service representatives will be delighted to provide telephone or digital instructions and guidance to solve any problem, since we want to enable customers to enjoy the products they purchased without having to wait for a technician. If necessary, a professional technician will be sent to a customer's home to resolve the problem.
- **Professionalism:** Tadiran has a nationwide service network of skilled technicians, consultants and air-conditioning engineers with many years of experience. Our service team's know-how, safety, experience and professionalism have become renowned and set a high bar for excellence in service.
- **Advanced technology:** We believe in constant self-improvement. Accordingly, we invest numerous resources in optimizing our service systems and in cultivating direct communications with customers. Ultimately, advanced technology is a key tool for providing the rapid, high-quality service that we expect to provide to our customers. The more efficient we are, the higher the rise in customer satisfaction.



"We at Tadiran believe in maintaining direct relationships with our customers based on decency, professionalism and accessibility, and in providing comprehensive solutions for all of their needs. We are working to develop and adopt advanced technologies, constantly optimize our service array, broaden our communications channels and shorten our response time in order to provide rapid solutions to our customers. During the war, we launched a campaign offering free technician visits to all residents of southern Israel. For Tadiran, a satisfied customer is a customer who is not only pleased with the quality of the product he purchased but also is satisfied with his pre- and post-sale experience."

Yigal Amar, VP Tadiran Service

Employee Training in Service-Provision

We provide training to our employees in providing service, including on topics addressing professionalism and service expertise. In 2022-2023, the hours of training per employee totalled 7 hours.

Obtaining Service is Simple

Tadiran's service centers nationwide – in Holon, Caesarea, Be'er Sheva and Afula – are staffed by dozens of service-providers and sales representatives who respond to thousands of calls every day.

Serving Diverse Customers

The Company has diverse customers with different characteristics. We define an SLA (service level agreement) and appoint dedicated response teams tailored to the unique needs of the various types of customers in order to optimize the service that we provide and to constantly improve customer satisfaction. Our customers include private, business and institutional customers, each with distinct needs.

We operate a nationwide customer service center for our subsidiaries, which operates 24/7 and provides swift and convenient responses to our customers. This customer service center is accessible through a variety of channels: telephone, email, chat, Facebook, Twitter, etc.

Ensuring Customer Safety

Our customers' safety while using our products is important to us. Accordingly, we offer our customers videos, information and tips about using our products correctly and efficiently. Customers can find advice on the Company's website about how to select the right air conditioner, questions and answers about air-conditioner operation and routine maintenance, etc. Furthermore, at the end of each interaction with a customer, we forward use and operation instructions explaining how to resolve the problem raised by the customer.

For particular series of mini-central air conditioners, we provide interested customers with "**Proactive Service**" – a Wi-Fi-based service that detects malfunctions and problems in customers' air conditioners and enables us to contact them even before they themselves detect any malfunction. In this way, we are able to take preventive measures and provide our customers with personalized, swift, efficient and professional service. The service is contingent upon customers being connected to Wi-Fi.

Customer Service During the Swords of Iron War

In light of the security situation and our desire to help our customers during this difficult period, we offer free technicians' visits to our customers residing in southern Israel and operate a dedicated customer service line – *6381 – for our customers residing in southern Israel. We also grant a 5% discount to installers and wholesalers residing in southern Israel on a variety of air-conditioner replacement parts.

Safeguarding Customers' Privacy

During the report period, we received no complaints about infringement of customers' privacy or about loss of data. As a business company, we bear considerable responsibility for taking constant action to safeguard our customers' information and privacy.

Committed to Customer Satisfaction

A satisfaction survey that we conducted in 2022 found that 87% of our customers were satisfied with our service and also found a rise in satisfaction in the parameter "timely arrival of a technician." In 2023, the survey found that 95% of our customers were satisfied with our service and they also stated that our service was easy and convenient to use.

To optimize and improve our customer service, our goal is to examine and analyze every customer interaction with the service-providers on our behalf. At the end of every interaction with our customer service (call center, email, chat-bot) or after technician service, we ask the customer to respond to a satisfaction survey so that we can continue improving for the benefit of our customers. The surveys are tailored to the type of service the customer received: customer service surveys, technician surveys, or integrated surveys.

We continuously monitor the data being received from our customers and analyze them according to various factors – geographical region, installer, service aspects, etc. Advanced, data-based analyses of the various aspects obtained from our data monitoring systems helps us to focus and customize our improvement and streamlining processes.

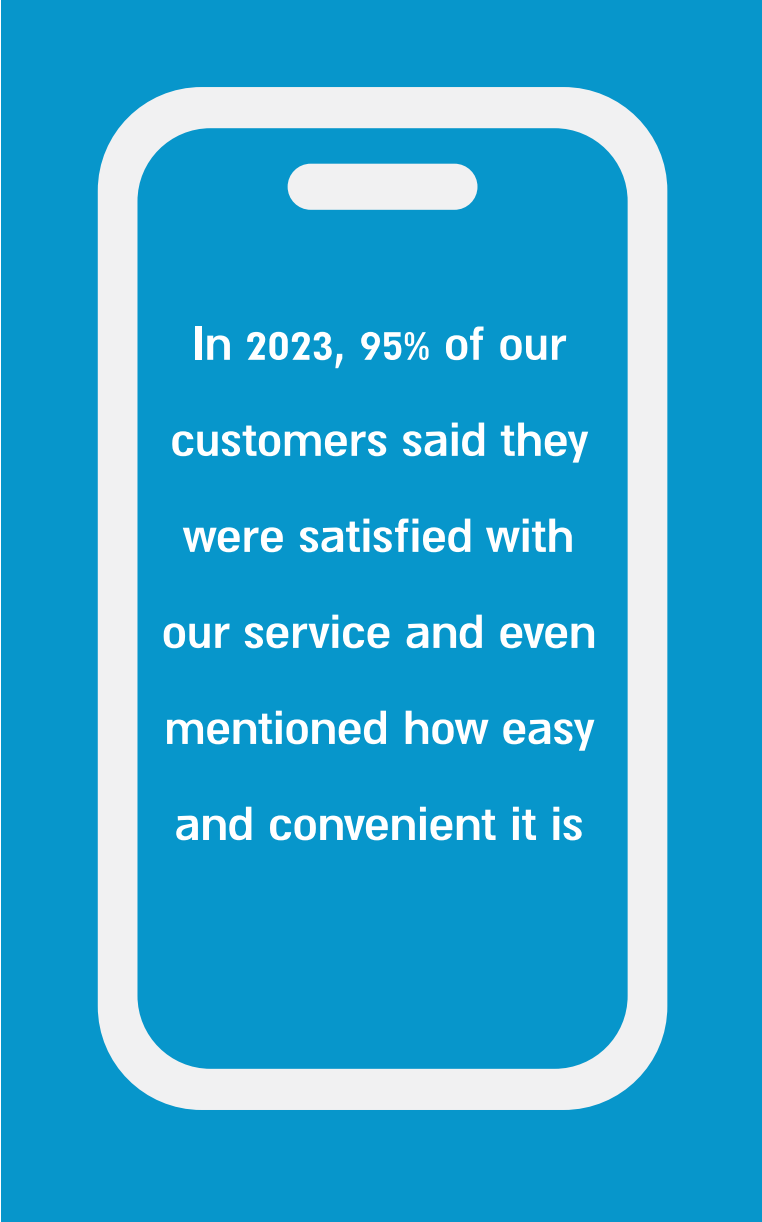
As part of our commitment to customer satisfaction, we are diligent about responding to customer feedback. If a customer gives a low score to his service interaction experience, we contact him directly in order to gain a thorough understanding of the dissatisfaction with the service provided.

We encourage excellence among our service-providers and award prizes to outstanding service representatives based on customers' satisfaction scores.

Offering diverse communications channels

We make our customer service accessible to our customers through diverse channels:

- via telephone to our human customer service call center
- by completing a form to make contact via email
- via text messages
- via chat-bot 24/7 on the WhatsApp application – instead of waiting for a human response, the chat-bot enables customers to receive immediate service tailored to their needs
- via the Company's website, which offers information and recommendations, such as: "how to choose an air-conditioner technician."



In 2023, 95% of our customers said they were satisfied with our service and even mentioned how easy and convenient it is



We believe that the future of customer service is via digital means since they enable fast and convenient responses and save on superfluous waiting time. Nevertheless, we also maintain our traditional customer service center that provides human responses to our customers wanting or needing it. Since we anticipate that these digital channels will continue gaining momentum due to their convenience and availability, we are continuing to invest in improving, streamlining and advancing these measures.



Today, about 50% of our customers' queries are via digital channels.

"Ran from Tadiran" – Tadiran's virtual customer service representative (bot) on our website, was awarded a bronze medal in 2022 in the category of "simplicity in service" in the Excellence in Service and Customer Experience Competition sponsored by Hamil – the Israeli Management Center. This is an advanced AI-based digital service enabling us to further improve the quality of our service.

In light of its success, we launched a similar service – "Shiran from Tadiran" – for the professional market of installers and wholesalers, thus also improving our service to our business partners.

As a result of our Tadiran Force Hybrid Service, which provides air-conditioner installers with a variety of dedicated service channels, customer satisfaction rose in 2022.

Enhancing our quality of service

Tadiran's quality of service is an essential component of our work as a business company operating directly with its customers. We tailor our manpower in Tadiran's Service Division to our customers' needs and the volume of queries.

Our customer service centers provide service in numerous languages, so that our customers can enjoy a convenient personalized service experience. We also tailor our service for elderly customers who have difficulties operating their products and provide them with personal human attention and assistance customized to their needs.

Creating Shared Value with Technicians and Installers

Supporting Our Technicians

Tadiran's technicians in our professional, high-quality Technical Division are our most direct and genuine representatives to our customers. We are committed to providing professional service for any malfunction or problem that our customers encounter.

We are diligent about providing training to our technicians several times a year, particularly professional training, including working with and installing air conditioners at height.

We encourage excellence among our technicians and award prizes to outstanding technicians based on customer satisfaction scores, such as weekends, dinners for two, VIP passes to films, etc.

Supporting Our Installers

Tadiran is committed to promoting high standards for the training of air-conditioner installers and technicians in Israel. Tadiran also takes action to assist air-conditioner installers in the territories of the Palestinian Authority by providing professional know-how and replacement parts for installations and repairs.

The Company provides training to installers and service-providers in small groups, free of charge. The purpose of these training sessions is to achieve optimal professionalism among Tadiran's air-conditioner installers in general, and to air-conditioner installers in Israel in general. Our goal is to ensure that installers will be even more professional, will avoid mistakes when installing our products, and will have the tools and skills to provide courteous and pleasant service to our customers.

Tadiran holds an annual conference for all installers of its products, during which, inter alia, we offer tips on proper installation, while emphasizing correct and courteous service.

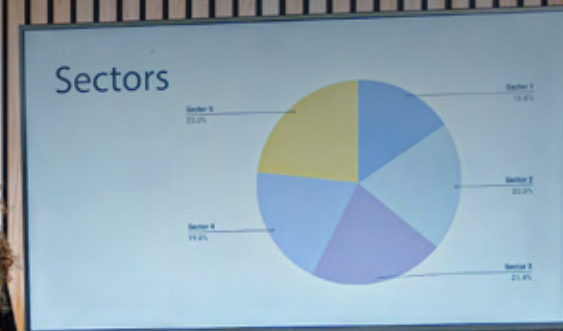


Goals for the Future

- To continue upgrading and streamlining our digital service channels.
- To expand the volume of customers who are benefitting from our "Proactive Service."



Corporate Governance and Ethics



Tadiran Group Ltd. is a public company whose securities have been traded on the Tel-Aviv Stock Exchange since 1991. The Company is committed to complying with relevant laws and regulations and with derivative regulations. The Company's corporate governance procedures and rules apply to all subsidiaries in the Group.

Tadiran Group's Board of Directors

To ensure that the board and its committees function efficiently, Tadiran Group defined a set of principles to ensure that their activities and meetings are managed efficiently, which may help the board fulfill its role effectively and minimize the impact of the constraints under which it operates. The Company's board of directors operates according to the work procedure of the board of directors and board committees, which was adopted by the Company. This procedure comprehensively addresses the board's qualifications and composition, its roles and powers, board meetings, the board's conduct when handling material and exceptional events, as well as the implementation, monitoring and compliance with the procedure. The procedure is revised to address changes in the Company's operations, regulatory provisions, etc. The procedure will be revised in 2024 according to the changes that occurred in recent years.

The Board of Directors' Responsibilities

The board of directors formulates the Group's policy and its action plan, is responsible for approving the financial statements, examining the Company's financial position and overseeing the Company management's activities and the performance of its duties. The board operates by virtue of the authorities vested it by law and according to binding procedures.

Members of the Board of Directors

20%

of the board members are women.

60%

of the board members are independent directors

All of our board members possess either professional qualifications (two directors in 2023 and one director as of April 2024) or accounting and financial expertise (three directors in 2023 and four directors as of April 2024).

Composition of Tadiran Group's board of directors:

1. Ariel Herzfeld (chairman of the board)
2. Moshe Mamrud (CEO and director)
3. Avi Eini (independent director) – Mr. Eini concluded his service on 17/12/23 and Ms. Alona Sheffer was appointed in his stead as an independent director
4. Yael Ravhon (outside director) – Ms. Ravhon concluded her service on 20/4/24 and Mr. Ronen Kimchi was appointed in her stead as an outside director
5. Yitzhak Aharonovich (outside director)

Board Committees

Tadiran's board of directors has two committees – the audit committee (which also serves as a remuneration committee) and a financial statements review committee. These committees are comprised of the Company's three independent directors (including outside directors) – Avi Eini, Yael Ravhon and Yitzhak Aharonovich. During 2022-23, the audit committee held 10 meetings, while the financial statements review committee held 8 meetings during that period. The committee members' attendance ratio at these meetings was 100%.

Training Provided to the Board of Directors

As part of our commitment to achieve our targets and promote corporate responsibility, board members periodically receive training in fields relevant to their work, including on topics relating to corporate governance and internal enforcement relating to securities laws.

Effectiveness of the Board of Directors

In 2022-2023, the Group's board of directors held 22 meetings, and all board members attended all of the meetings. The Company monitors board members' attendance at meetings in order to evaluate the effectiveness of its work and out of its belief in the importance of the directors' continuous routine involvement in the Group's decision-making.

ESG Responsibility

The Group's strategic business decision-making process also takes into account social and environmental considerations. This is evidenced, inter alia, by the companies that the Group acquired in recent years (companies engaging in renewable energy). Additionally, we appointed Mr. Guy Etzion, the Company's regulatory affairs manager, to manage and promote corporate responsibility in the Group

Proper Management

Remuneration Policy

In November 2022, after having been approved by Tadiran Group's audit committee and board of directors, the general meeting of the shareholders approved an updated remuneration policy for the Group's officers. The Company's remuneration policy is in effect for three years as of January 2023 and its purposes are to advance the Company's goals, its work plan and its policy from a long-range perspective and to create appropriate incentives for the Company's officers, considering, inter alia, the Company's risk management policy, the Company's size and the nature of its operations. With regard to terms of office and employment that include variable components, the policy considers the officer's contribution to the achievement of the Company's targets and the maximizing of its profits from a long-range perspective and depending upon the officer's role, and ensures appropriate balance between variable remuneration in cash and equity remuneration.

Anticorruption

We conduct a fraud and embezzlement survey every three to five years. The last survey was performed in 2021. Its conclusions were presented to and discussed by the audit committee. The survey did not raise any suspicions of fraud or embezzlement risks in any of the surveyed units.

Preventing Conflicts of Interest

The Company's code of ethics also refers to the Company's policy for preventing conflicts of interest. This policy aims to prevent situations that might give rise to a potential or actual conflict of interest between employees' and managers' personal interests and the interests of the Company.

A conflict of interest arises when an employee's or manager's loyalties or actions are divided between the Company's interests and the interests of another party, such as a competitor, supplier, customer or private business. Since even an outward appearance of a conflict of interest per se can adversely affect the Company and its relations with its various stakeholders – customers, employees and suppliers – the Group expects its employees to avoid even an outward appearance of a conflict of interest.

Internal Audit Plan

The Group attributes considerable importance to internal audit processes, coupled with external audit processes, for the purpose of examining various aspects of the Company's conduct and improving its work configuration. During 2022-2023, about 1,200 hours were devoted to internal audit processes.



Risk Management

The Group conducts risk management surveys through external parties from time to time. The Company's board of directors holds a discussion of risk management in the Company at least once a year within the framework of approving the Company's periodic report.

Compliance and Legal Mechanisms

During the report period, no lawsuits and/or administrative proceedings were filed against the Company and/or against its officers in relation to any allegations of bribery or corruption.

Investigations and Lawsuits

The Group publishes information in its financial statements about material legal proceedings to which it is a party.

Details about material lawsuits pending against the Company during the report period are presented in the Group's 2023 annual financial statements. For additional information and updates about material developments in these lawsuits during the period up until the publication date of this report, see the last periodic financial statements published by the Group on March 17, 2024.



Organizational Ethics

Approach to Ethics

When doing business and providing service to our customers, we, in the Tadiran Group, are committed to treating all of our stakeholders with honesty and fairness. We deem it of utmost importance to do business according to high ethical standards, with a commitment to transparency towards our stakeholders. Ethical business conduct is a fundamental essential condition for ethical business excellence and leadership.

Our Code of Ethics

Tadiran Group considers ethical and honest business practices to be a guiding principle in its conduct. Beyond complying with the spirit and the letter of the law, the Tadiran Group has adopted its own code of ethics in order to uphold the ethical standards it has set for itself. The Group's code of ethics covers a wide range of business procedures and guidelines for internal and external organizational conduct towards the Group's stakeholders.

As a leading company in various operating segments, the Group is responsible for ensuring that all employees and managers are aware of the relevant laws and the Company's guidelines, rules and ethical principles that are specified in the code of ethics. Every new employee in the Group receives a copy of the code of ethics and is required to read and confirm that he understands it and is undertaking to act in compliance with that stated therein.

The Company updated the code of ethics in 2022 and published it on the Company's website, thereby enabling all of the Group's stakeholders to peruse it.

To view the full version of the code of ethics **click here** (in Hebrew).

"All of Tadiran's employees have signed the code of ethics"

VP Solar also drafted and adopted a code of ethics in July 2023. Since then, 100% of its employees successfully completed training in the code of ethics.

Structure and Mechanisms of Ethics

The Company has a procedure for reporting illegal or unethical conduct that enables employees and managers to report to the chairman of the Company's audit committee or to the Company's VP and general counsel (including anonymously) about violations of the code of ethics.

In the instance of a concern about a violation of the code of ethics, the Company's employees can call or email the Company's general counsel or the chairman of the audit committee using the contact details provided in the code of ethics. Alternatively, grievances may be submitted anonymously using a designated grievances box. In 2022-2023, no reports about ethical violations or requests for consultations on ethical issues were received.



Goals for the Future

To inculcate the updated code of ethics among the Group's employees and managers.

Work Environment



The Group's human capital is diverse and encompasses employees from across the Israeli social spectrum – men and women, adults of all ages, people from central Israel and from outlying communities.



We Value our Employees

We are cognizant of the fact that Tadiran Group's employees are those who are the real backbone of our Company, giving it its unique character, creating a sense of home in the work environment and propelling the Company towards new achievements every day. Since Tadiran's employees are the Company's core, it is important to us to provide them with opportunities to develop and advance, to be attentive to their needs and ideas, maintain open dialogues with them and invest in them.

The Group's human capital is diverse and encompasses employees from across the Israeli social spectrum – men and women, adults of all ages, people from central Israel and from outlying communities. We consider the rich diversity of our employees an advantage for us as a business company, which enables us to offer employment to hundreds of people nationwide.

The company's employees

In 2022–2023, Tadiran Group's workforce increased significantly after we acquired several companies in Israel and abroad. We are proud to be a growing employer with an expanding presence, particularly in the Israeli market, and to provide employment to increasing numbers of people. Among the employees we hired in recent years are the employees of Tadiran Solar (Kiryat Gat), Tadiran Energy Solutions (Caesarea) and Tadiran Aluminum (Tziporit).

About **611** employees in 2022 and about **635** employees in 2023

Impacts of the Swords of Iron War

As a result of the Swords of Iron War and considering the challenging reality that Israeli society is experiencing, companies in Israel are facing challenges in terms of hiring employees and key personnel, employee absences, etc.

During this period, we at Tadiran are making adjustments and are taking various actions to overcome these challenges. The Company's managers are also being sensitive to their employees' needs, are making allowances and are supporting them as needed.

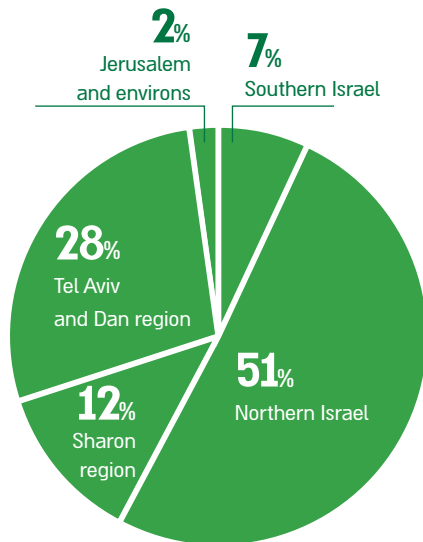
As a result, during the war, we made adjustments to our work configuration in order to retain employees who were called up to defend the country, while maintaining the Company's resilience in these times of emergency so that they will have a "home" to return to. Additionally, Tadiran Arava hired employees who completed reserve duty during the war.

Occupational Diversity and Equal Opportunities

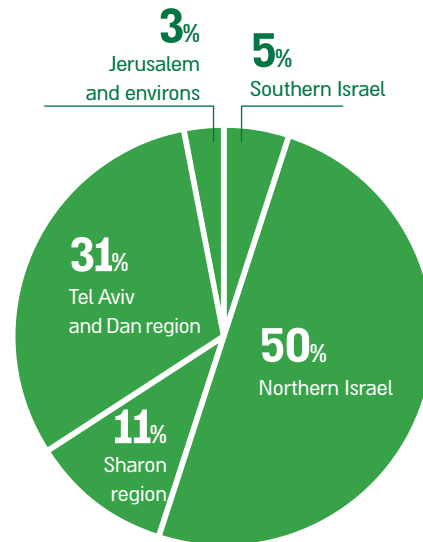
Geographic Diversity*

Tadiran Group provides employment to people throughout Israel – from Kiryat Gat to Afula. The Company’s offices and plants are located in outlying regions and in central Israel (Petah Tikva, Holon, Kiryat Gat, Afula, Caesarea and the Upper Galilee), reflecting the geographic mosaic of the Company’s employees. We attribute considerable economic and social value to our being an employer operating in Israel’s outlying regions and offering employment to people living far from central Israel.

Tadiran Group’s employees by geographic region in 2022



Tadiran Group’s employees by geographic region in 2023



* Data on geographic diversity relate to the Company’s operations in Israel.



Gender Diversity*

We in Tadiran Group attach considerable importance to the integration of women in each of our companies, units and divisions. In 2023, about 35% of our employees were women (202 women). Furthermore, 50% of Tadiran Group's management were women (5 out of 10 managers in senior roles).

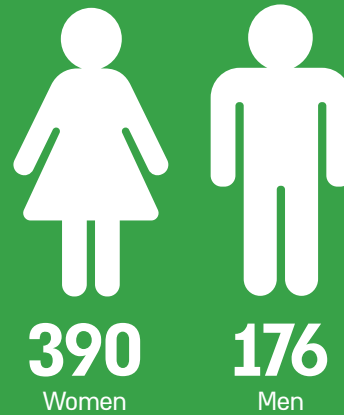
We strive to hire women for senior management roles in the Company. We already overshoot the target we set for ourselves to increase the ratio of women in the Company's senior management echelons to 40% by 2025.

Women account for 40% of VP Solar's workforce and perform 20% of the management roles.

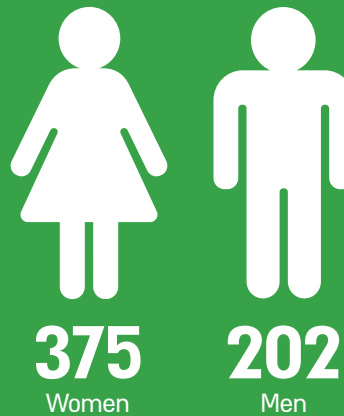
For data on gender diversity at VP Solar in 2022-2023, see the section "About this Report."

* Data in the chart on gender diversity relate to the Company's operations in Israel.

Tadiran Group's employees - 2022



Tadiran Group's employees - 2023

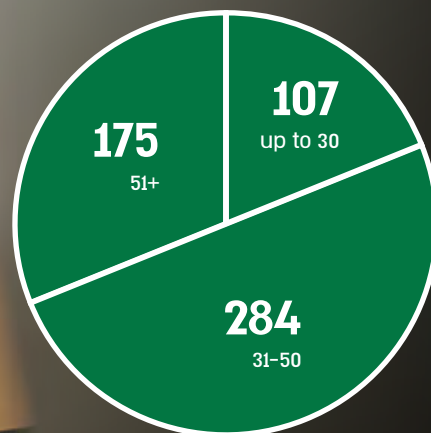




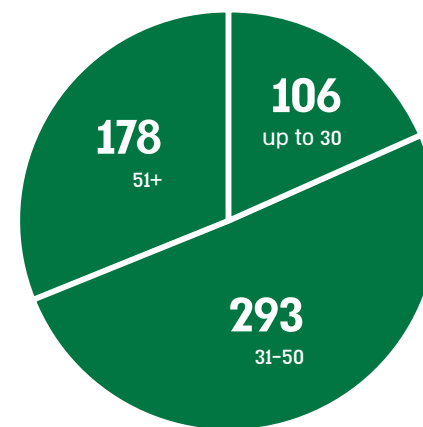
Age Diversity

Our employees represent a diverse range of ages, with young employees working alongside older ones. We believe that age diversity is a stimulus for mutual learning – younger from older and older from younger – which inspires the work environment and facilitates the preservation and exchange of knowledge between employees.

Tadiran Group's employees by age in 2022



Tadiran Group's employees by age in 2023



* The data on age diversity relate to the Company's operations in Israel.

Population Diversity

At Tadiran Group, we encourage an inclusive and multicultural work environment, which reflects the rich human mosaic of Israeli society in all of its diversity. It is important to us to impart a sense of belonging and connection to the Company to every employee and a sense of feeling part of the Tadiran family.





As part of our efforts in 2024, we collaborated with the NPO "Enosh" – the Israeli Mental Health Association, which provides therapy and rehabilitation services to the general population, to people contending with psychosocial disabilities and to their families. As a result, employees with special needs work at Tadiran Aluminum's anodizing plant every day.



Full-Time Professionalism

Types of Employment*

The vast majority of the Company's employees are employed full time. We also allow part-time employment to parents in various positions. For example: our sales center employs young mothers at a standard of 6 hours a day.

	2022		2023	
	Women	Men	Women	Men
The Company's employees by gender	 Women	 Men	 Women	 Men
Full-time employees	118	385	148	367
Part-time employees	58	5	54	8
Employees not employed by the Company	1	5	1	6

* Data on types of employment relate to the Company's operations in Israel.

Collective bargaining agreements

The number of employees in Tadiran Group covered by collective bargaining agreements was 100 in 2022 and about 96 in 2023. The employees covered by the collective bargaining agreement and represented by a labor committee are the employees at our manufacturing plant in Afula. Tadiran Group upholds its employees' right to organize.

Pension

Tadiran Group allows its employees to continue working even after they reach retirement age if they so desire. The Company also provides a personal meeting with an external pension consultant to every employee approaching retirement age. This meeting provides personalized professional advice to employees about preparing for retirement, including, inter alia, advice on proper pension planning and full exercise of their rights.

Parental Leave

We at Tadiran attach considerable importance to employee retention. Accordingly, the ratio of employees returning to work after parental leave was 64% in 2022 and 33% in 2023.

Employee Turnover and Employee Retention

The employee turnover ratio was 36% in 2022 and about 32% in 2023.

In our subsidiary, VP Solar, the employee retention ratio is 86%, with the average years of employment being 6 years.

For data on employee turnover for 2022-2023, see the section "About this Report."



Our Employees Come First

Employee Rights and Well-Being

In our Tadiran Family, we take care to protect our employees' rights and we invest in their personal well-being. Our employees are entitled to various rights and benefits, such as meals, transportation, private health insurance, personal assistance if needed, and more. It is important to us to prioritize our employees' wellbeing throughout the year. Thus, in 2022-2023, we held activities and events throughout the year for our employees and their families, including team-building days and evenings, gifts for holidays and special occasions, company sports teams and more.

Tournament – The workplace futsal league tournament is held annually in Eilat in October. The Tadiran Afula team has been playing in the league for 25 years already and has won numerous trophies and titles. The team consists of 10 employees from the various plant departments and plays twice a week from April to July. In the summer season of 2022, the team played in the finals, finishing in a respectable third place. In 2023, the tournament was not held due to the war.

Baking competition – we collaborated with FOODISH, the culinary unit of the Diaspora Museum. A baking competition was held, and the four winning recipes became a special gift package for employees for the Shavuot holiday.

We also held a Hannukah happening for employees and their children.

Benefits for employees' families

We consider our employees' families our family and part of the extended Tadiran family. Accordingly, we see value in participating in their important family moments. For example: in 2022 and 2023, we gave birthday presents; gift parcels containing schoolbags and school supplies to employees' children entering first grade; clothing gift cards to employees' children being inducted into the IDF; gifts for employees' newborns; gifts to retiring employees; holiday gifts; gift packages to employees who completed reserve duty, and more.

Informing employees of their rights

We are diligent about informing our employees about their rights. For example, during 2022, after the welcomed increase in tax credit points for parents of children aged 6-12, we issued a notice to all employees containing a detailed explanation of the retroactive supplement and the eligibility criteria. In 2023, during the war in Israel, we issued detailed guidelines to all employees according to the security situation and the developments.

Preventing sexual harassment and workplace bullying

Tadiran Group strives to create a pleasant, positive and inclusive work environment for all employees, without any harassment, workplace bullying or discrimination.

As part of the Group's hiring process, every new employee receives a copy of the Company's procedures, which include, inter alia, the procedures for preventing sexual harassment in the workplace. These procedures specify the reporting channels available to employees if necessary, including the possibility of direct, anonymous reporting to the Company's general counsel.

In 2022, the Company received one complaint about sexual harassment. Investigation of the complaint included conversations with the HR manager, together with an employee who served as a witness for questioning by the Company's general counsel. After consulting with relevant parties, recommendations were formulated, including an apology and holding a clarifying conversation with the employee, revising procedures, etc.

In 2023, the ethics officer received one complaint about workplace bullying. The Company's general counsel investigated the complaint and found that it was unjustified.

Preventing discrimination

Tadiran Group is strict about preventing discrimination in the workplace on the basis of gender, race, age, skin color, religion, marital status, sexual preference and orientation, physical or psychological impairments or any other characteristic that is unrelated to the employee's role in the workplace.

In 2022-2023, the Company did not receive any complaints from employees about discrimination on any basis.

Employee Training and Development

We attribute considerable importance to developing the Company's human capital and take action every year to improve our internal training program. As a result of the Group's expansion, the current information on the subject is still partial, but we are taking action to methodically regulate the collection and monitoring of the training data for the entire Group. The ultimate goal of this process derives from our belief that investing in our employees' development will enhance the professionalism and capabilities of the Company

and of its employees. Furthermore, our training program will enable us to increase collaborative processes among the Group's various units, to facilitate exchanges of knowledge and to expose our employees and managers to new technologies and advanced work configurations.

Employee Training

As a leading company in the Israeli air-conditioning market, we have a responsibility to advance, develop and ensure the accessibility of professional know-how relevant to our industry.

In 2022 and 2023, we provided a variety of training and continuing education courses in the Company to improve the teams' competencies and know-how. The training sessions included workshops and lectures on employee empowerment and innovation, including first aid training, a solar-energy innovation workshop and training in the use of social networks. We also provided training to develop professional skills, including training in competition law and the spam law. The above is in addition to the training required by law, such as training in work at height and safety training.

In the renewable energy field, we provide ongoing training and continuing education courses in Israel and abroad for technicians and installers in order to further develop their professional training and know-how in the field. We also participate in relevant conferences and trade shows in order to present new renewable energy technologies and products to our business partners.

In 2022, a conference was held at our company, Tadiran Solar, during which solar-energy installers received professional training in mountings and SolarEdge inverters.



Training at the Subsidiary, VP SOLAR

- **Employee training** – the Company demonstrates its commitment to employees through a variety of training opportunities. VP Solar provides regular safety training courses and, this past year, there were no safety accidents in the Company.
- **DPP (Disaster Preparedness and Prevention Plan)** – this plan was prepared with a third party to ensure that all employees will be prepared in the event of an emergency.
- **Customer training** – VP Solar regularly offers training to customers and partners in the field of renewable energy. These training sessions are provided via webinars that provide valuable skills to participants.
- **In 2023, VP Solar provided a total of 906 hours of training, compared to 572 hours in 2022 – about a 63% increase in hours of training.**

Training subjects

- Safety (fire extinguishing, first aid, forklifts)
- The Company's products (to the procurement, sales and technical departments)
- Public speaking
- Foreign languages
- Excel
- Credit risks (Creditsafe platform)
- Data security according to the GDPR
- SAP
- IT (Office suite)

Intraorganizational Dedication and Initiatives

Internal promotions! – at Tadiran Group, we believe in retaining, developing and promoting our employees inside the Group. Promoting employees from within the Tadiran Family helps us to retain the amassed experience and know-how inside the Company and to provide career development tracks and promotions to our employees. We encourage intraorganizational initiatives through our initiatives platform, which is managed by the innovations department, Tadiran-Tech.

Dialogues with Employees

We are Attentive and Committed to Our Employees

Tadiran Group's culture is based on an open-door policy and communications at eye level. Every office and plant in the Group has HR Division representation. Whether exchanging pleasantries or helping resolve problems between employees, representatives of our HR Division are there for our employees at all of our sites. In this way, every employee can refer directly and transparently to the HR representative in the office or plant where he or she works if a need arises.

We also believe in the valuable principle of leading by example – from our management echelons to our junior employees. Our work procedures apply to every employee and manager, without exception. This is the way to optimally inculcate the Company's organizational culture.

Employee Evaluations and Feedback

(404-3)

We are taking action so that the number of employees who regularly receive feedback on their performance and their personal career development will significantly increase next year.

Employee Satisfaction Survey

Statista, in collaboration with the Globes newspaper, conducted a wide-scale survey to rank the 150 Best Employers in Israel in 2022. Tadiran Group is proud to have been selected as one of the 150 "Best Companies to Work For." Tadiran Group was also ranked in third place among the "Best Companies to Work For" in the "engineering, manufacturing and industrial products operating segment.



Goals for the Future

- To expand the reach of our HR activities in all companies in the Group.
- To ensure that a uniform organizational culture is inculcated in all companies in the Group

Social Responsibility



Tadiran in the Community

Tadiran Group attributes considerable importance to promoting involvement in the community, volunteering and demonstrations of solidarity with Israeli society. Therefore, we promote activities and projects in various fields – helping needy populations, providing support and assistance during emergencies, promoting gender equality and strengthening Israeli sports.

In 2022-2023, the Company's employees donated about 400 hours of volunteering to the community. Additionally, the Company donated about ILS 312,914 in 2022 and about ILS 157,332 in 2023 to social and charitable institutions, such as: Pitchon-Lev (breaking the cycle of poverty), the Hom Association (needy children), Larger than Life (pediatric cancer), HaGal Sheli (at-risk youth), and more.

We are striving to continue increasing the volume of hours of volunteering by the Company's employees and the volume of the Company's donations in the future.

Healthy home project in conjunction with pitchon-lev

"Tadiran is proud to support the Pitchon-Lev organization and its annual fundraising broadcast. As a company championing values of mutual responsibility and a healthy environment, we deem it of considerable importance to do our part and volunteer, with the goals of breaking the cycle of poverty in Israel and making homes healthier, so that every home in Israel can celebrate the holidays in a dignified and proper manner."

Moshe Mamrud, CEO and controlling shareholder of Tadiran Group



Pitchon-Lev is an apolitical nonprofit organization founded in 1998 and operating with the vision of breaking the cycle of intergenerational poverty in Israel. Pitchon-Lev directly helps more than 160,00 men, women and children annually, regardless of gender, religion, race, ethnic origin or nationality.³

Within the framework of Tadiran's collaboration with Pitchon-Lev in 2022-2023, we held annual activities including:

- **Painting homes and installing air conditioners in homes of aid recipients from Pitchon-Lev** – employees of the Company volunteered to whitewash, paint and rehabilitate apartments so that those residing in them can live in a clean and habitable home.
- **Recruiting and delivering food baskets to needy families during the holidays** – Tadiran employees arrived at Pitchon-Lev's distribution centers and packaged and delivered food to needy families.
- **"Prepare your air-conditioner" for the relevant season by cleaning and checking its operability** – Tadiran technicians visited the homes of dozens of Pitchon-Lev needy families prior to the summer and winter seasons and performed routine maintenance so that they can optimally enjoy their air-conditioners in summer and winter.
- **Funding, accompanying and teaching a class of students in Pitchon-Lev's educational program** – lectures by managers, a tour of the plant and empowerment talks. In 2023, Tadiran adopted a class of about 20 students from the Nof HaGalil School. As part of Pitchon-Lev's empowerment program to connect the younger generation to Israeli industry and improve their personal abilities in preparation for adult life, the students arrived at the Company's plant in Afula, where they enjoyed an introductory tour of the various departments and met with the plant's managers who gave them an inspiring lecture.

³ Contributing to the community – NPO providing financial assistance to the needy. Pitchon-Lev (pitchonlev.org.il)



Tadiran Group employees helping Pitchon-Lev distribute food packages before the Passover Holiday

Contributing and Assisting During the War

Upon the outbreak of the war on October 7, 2023, Tadiran Group launched a series of initiatives in order to help residents of southern Israel and IDF soldiers contend with the war's repercussions:

Scheduling technician's visits at no charge – we operate a dedicated hotline for service calls and technical support for all customers residing in southern Israel from Ashdod to Be'er Sheva, including in the communities surrounding the Gaza Strip. Customers can schedule a technician's visit in the shortest possible time at no charge through the service center for residents of southern Israel.

Prioritizing installers working in regions of combat – we operate a dedicated separate telephone line for air-conditioner installers in southern Israel, which provides them with solutions for a variety of needs in the field. These installers receive priority and immediate assistance from the Company, including remote assistance via video chat with one of Tadiran's expert technicians. Additionally, installers in southern Israel who work with Tadiran receive a special discount on air-conditioner replacement parts.

Tadiran Group mobilizes in times of emergency – to come to the aid of IDF soldiers who are fighting to protect us all. Within the framework of this initiative, hundreds of food packages and basic products were sent to IDF bases in southern Israel; employees at the Tadiran site in Afula joined a regional initiative to collect and send packages to soldiers deployed along

Israel's northern border – Afula plant employees, together with people from other organizations in the valley, helped pack the packages; and the Group's plant donated cartons for the packages that were delivered to soldiers in the north.



Strengthening Local Sports

This is the seventh year that Tadiran Group has sponsored the judoka and Olympic medalist Sagi Muki. We see great value in strengthening and nurturing local Israeli sports and encourage the values that Sagi Muki brings to the sports world.



Goals for the Future

- To continue long-term strategic collaboration with a leading third-sector entity.
- To define an annual volunteering plan to increase the volume of hours of volunteering and the numbers of volunteers
- To increase the Group's financial donations.





About this Report



This report was written in the spirit of the reporting principles of the Global Reporting Initiative (GRI), according to the latest standard. The report did not undergo any external review process.

This report was written with the assistance of Good Vision – a corporate responsibility consulting firm of the Fahn Kanne Grant Thornton Group, a GRI community member.



If you have any questions or comments about this report or its contents, please contact:

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The data presented in this report were collected through interviews with the various stakeholders – suppliers, customers, employees and managers in the Company – and from analyzing reports and other documents of the Company. In conformity with the GRI guidelines, the material topics in the Company were selected during a comprehensive discussion with the management.

Material Topics

Identifying and Analyzing the Material Topics

In 2021, we identified the material reporting topics in conformity with the GRI guidelines, which included:

- **Collecting material topics through intraorganizational processes** – meetings with relevant parties in the Group; studying and analyzing the collected materials; a preliminary review of the Group's operations; and dialogues with the Group's senior echelons.
- **Collecting material topics from external databases** – reviewing a GRI report addressing the identification of material topics for stakeholders, divided by sectors; reviewing the benchmark; and analyzing corporate responsibility reports published by international and local companies in similar sectors.
- **Mapping of the material topics** – discussing and building a matrix of material topics, concentrating on the topics that are important for Tadiran Group, including environmental, social and economic aspects inside and outside the organization.

The list of material topics presented in this report was built based on the material topics presented in the Group's first Corporate Responsibility Report, which was updated according to the global trends in the consumer goods and renewable energy sectors and according to the topics that were emphasized in Tadiran Group during the 2022-2023 reporting period.

Changes in the List of Material Topics Compared to the First Corporate Responsibility Report

2021	2022-2023
Climate risk management	-
-	Circular economy and waste management
Employee training and development	-
Product innovation	Upgrading and improving the Group's products



Identified Material Topics

Environment:

- Upgrading and improving the Group's products
- Energy efficiency in products and in the Company
- Circular economy and waste management
- Management of greenhouse gas emissions

Social:

- Intraorganizational dedication and initiatives
- Occupational health and safety
- Customer safety and satisfaction

Corporate governance:

- Ethical business conduct
- Data security and privacy protection
- Responsible supply chain management
- Adapting to changes and adjusting our business models

GRI Index

Employee Data Tables

Employee Turnover 2022-2023 in the Company's Operations in Israel

Employee turnover	2022		2023	
	Women	Men	Women	Men
Employees and managers	47%	31%	39%	28%

Diversity Data 2022-2023 in VP SOLAR

Gender diversity	2022			2023		
	Men	Women	Total	Men	Women	Total
Managers	6	1	7	5	1	6
Nonmanagers	20	18	38	23	18	39
Total	26	19	45	28	19	47

GRI Content Index

Statement of use: Tadiran Group Ltd. has reported the information cited in this GRI content index for the period 1.1.2022-31.12.2023 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	7-14	
	2-2 Entities included in the organization's sustainability reporting	7,10-13	
	2-3 Reporting period, frequency and contact point	85-88	
	2-4 Restatements of information	20,31,36,86	
	2-5 External assurance	The report has not been externally assured	
	2-6 Activities, value chain and other business relationships	15-17, 36, 49-51	
	2-7 Employees	66-77	
	2-9 Governance structure and composition	61-65	
	2-10 Nomination and selection of the highest governance body	61-62	

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	61	
	2-12 Role of the highest governance body in overseeing the management of impacts	61-62	
	2-13 Delegation of responsibility for managing impacts	19,62	
	2-14 Role of the highest governance body in sustainability reporting	62	
	2-15 Conflicts of interest	63	
	2-16 Communication of critical concerns	63,65	
	2-17 Collective knowledge of the highest governance body	62	
	2-18 Evaluation of the performance of the highest governance body	61-62	
	2-19 Remuneration policies	62-63	
	2-20 Process to determine remuneration	62	
	2-21 Annual total compensation ratio	17, In the Company's periodic reports	
	2-22 Statement on sustainable development strategy	8, 19, 25-26	
	2-23 Policy commitments	25-26, 45, 61-62	
	2-24 Embedding policy commitments	25-26, 45, 61-63	
	2-25 Processes to remediate negative impacts	64-65	

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	65	
	2-27 Compliance with laws and regulations	25-26, 43, 47, 55, 61-65, 72-74, 97	
	2-28 Membership associations	36-37	
	2-29 Approach to stakeholder engagement	18	
	2-30 Collective bargaining agreements	72	
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20,85-86	
	3-2 List of material topics	20,85-86	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	15-17	
	201-2 Financial implications and other risks and opportunities due to climate change	25-26	
	201-4 Financial assistance received from government	N\A	

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	15-16	
	203-2 Significant indirect economic impacts	25-26,34	
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	50	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	63,65	
	205-3 Confirmed incidents of corruption and actions taken	In the years 2022-2023, no inquiries were received regarding ethical violations	

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	38	
	302-3 Energy intensity	39	
	302-4 Reduction of energy consumption	38-40	
	302-5 Reductions in energy requirements of products and services	29-33	
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	42	
	303-4 Water discharge	42	
	303-5 Water consumption	42	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40	
	305-2 Energy indirect (Scope 2) GHG emissions	40	
	305-5 Reduction of GHG emissions	41	

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	42	
	306-2 Management of significant waste-related impacts	43	
	306-3 Waste generated	42	
	306-4 Waste diverted from disposal	42	
	306-5 Waste directed to disposal	42	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	49-51	
	308-2 Negative environmental impacts in the supply chain and actions taken	50-51	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	69-72,87	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	73	
	401-3 Parental leave	72	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	45-46	
	403-2 Hazard identification, risk assessment, and incident investigation	46-47	
	403-3 Occupational health services	46	
	403-4 Worker participation, consultation, and communication on occupational health and safety	45-47	
	403-5 Worker training on occupational health and safety	46	
	403-6 Promotion of worker health	46	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45-47	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	

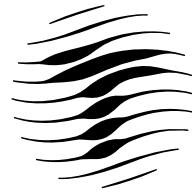
GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	68-71	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23, 65	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	74, in the years 2022-2023, the company did not receive any complaints from employees regarding discrimination on any basis.	
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	79	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	79-83	
	413-2 Operations with significant actual and potential negative impacts on local communities		Omitted: 413-2 Reason: Not applicable Explanation: The company does not aggregate the information for disclosure in this report.

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED REASON EXPLANATION
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	79	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	79-83	
	414-2 Negative social impacts in the supply chain and actions taken		Omitted: 414-2 Reason: Not applicable Explanation: The company does not aggregate the information for disclosure in this report.
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	53-55	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-23	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	55, during the reporting period there were no complaints concerning breaches of customer privacy or loss of data.	

This document was prepared by Tadiran Group Ltd. (hereinafter: "the Company") solely for the purpose of presenting the subject of corporate responsibility relating to its operations and the operations of its subsidiaries. This document does not purport to replace the need to peruse the Company's full reports to the Israel Securities Authority and to the Tel-Aviv Stock Exchange Ltd., including, inter alia, the Company's periodic reports and immediate reports (hereinafter: "the Company's Reports") for the purpose of decision-making with regard to investing in the Company's securities. This report is the second report published by the Company on the subject of corporate responsibility, and naturally, does not exhaust all matters handled by the Company.

This report refers to several topics that the Company chose to highlight, but does not provide all information available to the Company in relation to these topics. The inclusion of a particular detail in this report or the non-inclusion of other details in no way indicates whether they are material or immaterial details and in no way creates any representation on the part of the Company regarding the entirety of its operations and/or the risk factors to which the Company is exposed. The Company emphasizes that this report is based on business data correct to the report publication date, that the Company does not undertake to update and/or revise the information contained herein in order to reflect information and/or circumstances that emerged subsequent to the date of its preparation, and that data herein do not purport to substitute for the data published in the Company's Reports. Accordingly, with regard to financial data or data about volumes of activity, profitability, forecasts, etc., solely the data specified in the Company's Reports are binding upon the Company and, in the event of a contradiction, the data specified in the Company's Reports prevail.

This report may include forward-looking information, as this term is defined in the Israel Securities Law of 1968 (hereinafter: "Forward-Looking Information"), including forecasts, estimates and information about future events, which constitute subjective assessments of the Company's management correct to the report publication date and which, although the Company believes them to be reasonable, are inherently uncertain and may not materialize and/or may materialize in a manner that differs materially from the Company's assessments, inter alia, as a result of exogenous factors that are beyond the Company's control, including, inter alia, changes in the economic situation in the Israeli economy in general and in the market in which the Company operates in particular, the development of trends that are new and/or different from those assessed by the Company's management correct to the date of this report, regulatory amendments, the materialization of any of the risk factors described in the Company's Reports, etc. The Forward-Looking Information relates solely to the date to which it refers and is uncertain, cannot be assessed in advance, is affected by factors not under the Company's control, and each factor or a combination thereof, as well as the materialization of any of the risk factors that are characteristic to the Company's operations, may have a material adverse impact on the Company's operating results and cause them to differ materially from the Forward-Looking Information. This document contains no express or implied representation or warranty in relation to any matter referred to herein and the accuracy, completeness or correctness of the information or opinions contained herein should not be relied upon. The Company and/or any of its employees or representatives shall not bear any liability (whether due to negligence or for any other reason) for any loss deriving in any way from the use of this report or its contents or from any other reason in relation to this report.



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