

Summary Sustainability Report

2019



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Sustainability Strategy



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Our Mission

Netivei Israel - National Transport Infrastructure Company leads infrastructure industry in Israel groundbreaking in public and smart transport solutions, drives an economic and social growth engine, for increasing productivity and improving the quality of life, enabling safe and highly available geographic occupational mobility for the entire population, in the periphery and in the center of the country.

Director General and Chairman of The Board of Directors



This is the fourth year in a row that Netivei Israel has filed a corporate responsibility report in three languages. The company manages development projects and road maintenance in the amount of billions of shekels. From this emerges, the company grows and requires dialogue with its stakeholders.

We strive to be more attentive and more collaborative. As an expression of this, it is our national responsibility, to identify business opportunities, to promote and develop shared values that have a positive environmental and socio-economic impact, to develop new interests and to meet advanced transport needs that meet the challenges of the future for the public in Israel.

The year 2019 marks the third year of the company's five-year plan, we do this by operating control mechanisms and adjusting the plan to needs and budget. This is in full coordination with the Ministry of Transport, and the Government Companies Authority.

In the coming years, the company will develop mass transit infrastructure such as: public transport lanes, railroads and complementary airport to existing Ben Gurion International Airport. Besides that, the company continues to invest hundreds of millions of shekels in safety projects – road sections at risk, left turns and "black spots" ("red roads") treatment in order to overcome the gap of years, and straightly, to save human lives.

Netivei Israel is committed to corporate responsibility and sustainable development values beyond legislation. The company sees itself as constant guard, believing that only corporations that managed responsibly to all stakeholders are more stable corporations. They manage their risks more wisely, with significant social, economic and environmental impact.

This Sustainability Report 2019 has published for the fourth consecutive year in three official languages. The report shows the activities of Netivei Israel, and expresses the uncompromising commitment of Netivei Israel as a national state-owned company to develop the infrastructure in Israel for better society, environment and economic growth.

On behalf of the Board of Directors and senior management

Mr. Nissim Peretz

Director General

Mr. Oded Shamir

Chairman of the Board of Directors



2019

Our Commitment to Sustainable Development

Netivei Israel Corporate Social Responsibility Report for 2019

The current Corporate Social Responsibility report is the fifth such report which Nitivei Israel - the National Transport Infrastructure Company Ltd. (hereinafter - Nitivei Israel) is issuing. The report reviews Nitivei Israel's work in 2019 on issues related to shared values of Nitivei Israel and its stakeholders.

These issues are an integral part of the overall responsibility of Nitivei Israel, as a government enterprise for transport infrastructures. The report provides a window into the highlights of the activity which has been done by the various Nitivei Israel divisions in 2019. The report is approved by the Nitivei Israel Board of Directors at the same time the Company's financial reports are approved

Netivei Israel has conducted a materiality analysis with all its stakeholders. This report reviews the measures taken to advance the issues which arose. The report is part of a set of periodic reports issued by Nitivei Israel, which are released to the public and does not supersede them. This report reviews various processes and projects which are managed through outsourcing and which, in Nitivei Israel's opinion, bear aspects of Corporate Social Responsibility and sustainable development which are vital to the advancement of the field.

The information which was used for preparing the report was extracted from organisational information systems and from other organisational sources in the various divisions. these consist of written documents, procedures and work processes, data and organisational information.

In 2016, Nitivei Israel began issuing its public sustainable development reports and since then it has consistently been publishing annual reports. The last one to be published reviewed 2018. Nitivei Israel expects that in its future reports, additional indices will be presented, as well as comparisons of relevant data and cumulative multi-year trends. This will be made possible as a consequence of the organisation's continual learning, its lessons learned from the report preparation process and from their publication and, no less important, from the feedback from the Company's stakeholders, insofar as these will be forthcoming.

Netivei Israel intends to continue and expand its sustainability reporting in future, to continue to prepare and publish a report on an annual basis, roughly coinciding with the publication of the financial reports, following control from the Global Reporting Initiative (GRI) materiality disclosures service.

Netivei Israel will continue to publish its activity in the field in the three languages - Hebrew, Arabic and English, as part of in-depth strategic thinking and as part of its continuing commitment to transparency in the field of Corporate Social Responsibility and sustainable development.

The Corporate Social Responsibility report has been written in accordance with the international guidelines of the GRI - Global Reporting Initiative organisation, according to GRI-SRS guidelines at the core reporting level, which is regarded to be the world's most advanced framework for reporting sustainability. It serves many of the commercial enterprises which publish Corporate Social Responsibility reports. The information presented in the report describes the organisation's influences in the material issues and is based on the joint work of many factors within the Company and its stakeholders.

Netivei Israel believes that retention of the knowledge within the Company and development of its human capital in terms of professionalism, will deliver greater added value than employing consultants. Therefore, as in the previous report, the data collection, the writing

of the report and its accessibility were all done by the Company employees representing the different divisions. Furthermore, the information is compatible with the information presented in the Company's financial reports for the reporting year, and emphasis has been placed on defining targets for the existing activity in order to be able to track and to be effective. An internal due diligence process is carried out by divisional representatives who have been authorized by the Company to examine the information detailed in it. An additional control is done by the division managers, and is published after receiving approval from the CEO of Netivei Israel and from the Board of Directors.

The content of the report has been defined in accordance with the SRS principles:

- Materiality - the most important issues for the Company's long-term business growth and the issues most important to the stakeholders.
- Reference to stakeholders - addressing the expectations and issues close to the hearts of the stakeholders.
- Sustainable context - presentation of performance in the context of Corporate Social Responsibility issues.
- Completeness - coverage of the material issues and their boundaries in a way which reflects economic, social and environmental impacts.

Sustainable Development and CSR Director

Beginning in 2015, and every year since, Netivei Israel has been proving that adoption of the field of Corporate Social Responsibility and sustainable development as a managerial-business approach helps it to more precisely identify opportunities within the space it operates in as a government company.

Netivei Israel works continually to create persistent value for all of its stakeholders. This is an unending task, a persistent challenge within the Company's employees' activities. The Company management and its employees seek to deliver the best possible results for the public, for whom we exist and work, we examine our steps at all times and lead material processes out of national responsibility.

In accordance with the Board of Directors' decision, the field of Corporate Social Responsibility and sustainable development at Netivei Israel is discussed on a quarterly basis in the finance committee design and development, which includes reporting on the progress of the strategic plan and future trends in Israel and worldwide in terms of the economic and environmental fields, which overlap the Company's activity.

In 2019, considerable efforts and resources have been devoted to the advancement of the issues of Corporate Social Responsibility and sustainable development, through cooperation with the Government Companies Authority, to create shared values - since we believe that Netivei Israel is best positioned to be capable of having a positive influence on the economy, society, and environment in Israel. Integrated management of the Corporate Social Responsibility activity with all of the Company's divisions and expanding our activity in fields such as energy efficiency, inclusive working environment, and dialog with the supply chain, have improved Netivei Israel's risk management processes and it helps deal with challenges which arise in our day-to-day work. They will also be helpful in advancing experimentation as part of the performance improvement in the field of sustainability in future as well.

Management of the activities in an integrative manner and expansion of our activity in fields such as energy efficiency, inclusive working environment, dialog with the supply chain, we have improved the

Company's risk management processes so as to deal with challenges which arise in our day-to-day work in order to tackle the challenges, is helpful in advancing experimentation as part of the performance improvement in the field of sustainability in future as well.



For 2020, Netivei Israel is preparing to deal with the challenges facing us. Among these are: preparation of another strategic plan for this field with emphasis on our positive influence as a managing company vis-a-vis the supply chain; continuation of the environmental and energy efficiency revolution; completing the mapping of the gaps between the Green Infrastructures Standard - GREEN ROADS and transforming it into a task definer for the planners and construction contractors in the Company's projects; and to obtain Board of Directors approval of the outputs. Netivei Israel's commitment, in its capacity as the leading government company for transport infrastructures in Israel, towards its stakeholders and the public at large in Israel, is to continue to challenge itself and its employees in future to meet a standard of compliance with environmental and social issues which shall be higher than the legally-mandated "compliance level".

We will focus on the spaces in which we operate, on building the organisational capabilities through a broad improvement of measurement infrastructure, which will serve as a mirror for continual improvement and learning, we will continue to work diligently to advance issues related to common values we share with our stakeholders through optimal management of the fields of work and through advancement of sustainability as part of our impacts on the economy, the environment and the society in Israel.

I thank you for your interest in the report and invite all our stakeholders to contact us to promote new relevant and sustainable ways in the areas in which we operate to the benefit of all the residents of the State of Israel.

Adi Gamliel
Sustainability & CSR Director
DG Office

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Sustainable Development Strategy

The main level of Netivei Israel's sustainability and Corporate Social Responsibility concept is based on creating added value, which delivers solutions for the Company's work and its stakeholders. This is a step up, which includes a vision encompassing an entire life cycle, thought on development of products with a positive social-environmental value through a global perspective and knowledge sharing on the range of sustainability aspects which are at the core of the Company's business.

As a managing company, the solutions for common values are manifested also in the management chain of the supply chain, and through these we continue to develop the network of transport infrastructures throughout the entire State of Israel

Netivei Israel, through this approach, leads in sustainable thought, which helps it to cope with challenges in the fields of activity under its responsibility in accordance with the precautionary principle, through assimilation of advanced international norms, adoption of standards and assimilation of advanced, applicable technologies. The assimilation of the sustainability values focuses on the Company's core business, which inevitably is beneficial not only to the economic performance, but also to the community and environment within which it operates.

As a government company dedicated to the development and maintenance of transport infrastructures, Netivei Israel is aware of its impacts on the economy, society and environment in the State of Israel. Netivei Israel's management believes that only a comprehensive, sustainable perspective, with cooperation and dialog with its stakeholders, will enable coping with the current and future sustainability challenges. It has therefore adopted the sustainability approach as a strategic business approach, which includes dialog as an integral part of global learning trends and processes, including identification and understanding of the Company's needs, expectations, challenges and opportunities.

Extreme climate changes have been affecting us in recent years. Global warming, environmental regulation, the changing employment environment, technological developments including cyber and information security risks create a new and complex reality. This reality requires more precise thinking to create advantages vis-a-vis the challenges facing Netivei Israel in the developing and evolving world of transport infrastructure.

Strategic collaborations encourage creative thinking, they enable development of sustainable solutions and create a vector for improving the lives of the citizens in the State of Israel. These strengthen public opinion and their satisfaction from Netivei Israel's work, thereby contributing toward long-term business continuity.

In 2015, as part of writing Netivei Israel's multi-year strategic plan, Netivei Israel identified the issues which were material for the Company and for its stakeholders. In order to define issues as material for stakeholders, all of the issues surveyed were also examined relative to the GRI reporting standard. The more the issue recurred from the Company management and its stakeholders, the higher the grade it was assigned. The issues which achieved the highest grade were defined as more material issues. You can read more on this in the Corporate Social Responsibility report Netivei Israel released in 2016.



Stakeholders

Netivei Israel operates with many stakeholders who influence its activity and are influenced by the Company, whether directly or indirectly, and therefore throughout the lifetimes of the projects under its responsibility, the Company maintains a dialog, through various means, such as surveys, distributing information, consulting to set expectations, being attentive and responding to inquiries via all of the means at the Company's disposal.

The dialog takes place through a broad range of means of communication: radio, television, social networks, round tables and meetings between company representatives and supply chain representatives and the general public, and in the activities of projects under the Company's responsibility. All this is done in order to better manage the Company's activity and for the greater benefit of the citizens of the State of Israel. In

2015, the strategic plan for sustainable development and Corporate Social Responsibility was approved. In it, the Corporate Social Responsibility Director works in close, continuing collaboration with entities from within and from outside the Company to identify the Netei Israel stakeholders and to hold and develop the dialog with them.



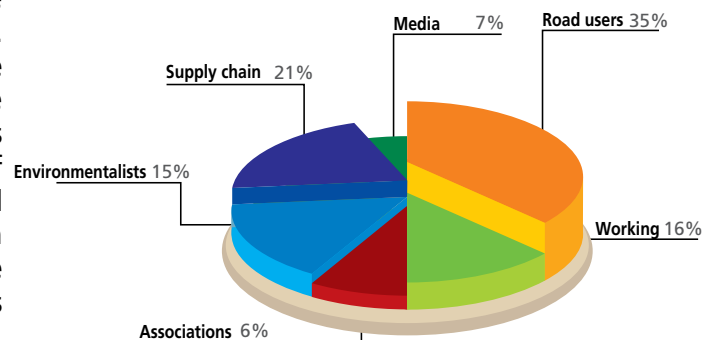
Materiality Subjects

Netivei Israel Company acts simultaneously in all fields with a broad and integrative vision in the sustainability field. However, in order to identify the Materiality subjects for the stakeholders and the Company's management, all of the subjects reviewed with the external stakeholders in reference to the GRI reporting instructions, were reviewed during the year 2016.

During the year 2016 Netei Israel Company completed the Materiality Assessment through a broad survey to evaluate subjects, as were reflected in a dialogue with various stakeholders. The survey included more than 400 stakeholders, external and Company internal. In the framework of the survey, stakeholders were approached including employees, regulatory entities, social and environmental organizations, the supply chain, and the road users who are our customers. 70% of the stakeholders that were approached by the Company, responded to the survey.

The more often a subject repeated itself among those sources, so was higher the ranking determined for it. The subjects that reached the highest ranking were determined as the most important subjects for the stakeholders. For each field a separate survey was conducted with an internal ranking for the importance of each field. The survey's findings and its analysis assisted the Company in posting the most essential subjects in the eyes of Netei Israel Company and the view of the stakeholders who influence and are influenced by its activity.

The policy of Netei Israel Company in the sustainability field is not to rank the essential fields. The Company believes that all fields must be handled simultaneously. However, in order to identify the subjects that are essential for the stakeholders, all the surveyed subject with the external stakeholders were examined in reference to the GRI reporting standard. The more often a subject repeated itself among those sources, so was its ranking determined as higher. The subjects that received the highest ranking were determined as the most important ones for the stakeholders.



The following is the list of the Materiality subjects



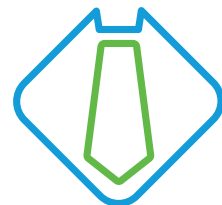
Environmental Quality Employment

Environmental design management of an environmental system, biologic variety, green construction, energetic efficiency and coping with climate changes



Employment Environment

Individual development, career tracks and employee's promotion, professional development and contentment, ethical climate, health and employee safety, occupational diversity



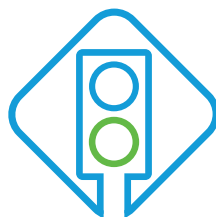
Corporate Governance

Sustainability development and corporate responsibility policy, strictness with ethical values, reporting and transparency, risks management, external relations and cooperation



Society and Community

Cooperation, dialogue and public involvement, accessibility and linkage, knowledge promotion and strategic cooperation, employees' involvement in the community



Road Users

Information communication and image improvement, intermodule transportation outlook, road safety and danger centers, road users' satisfaction, loads management, technological improvements



Supply Chain

Responsible procurement, performances control and tracking, dialogue, empowerment processes and satisfaction management, furthering of branch innovation

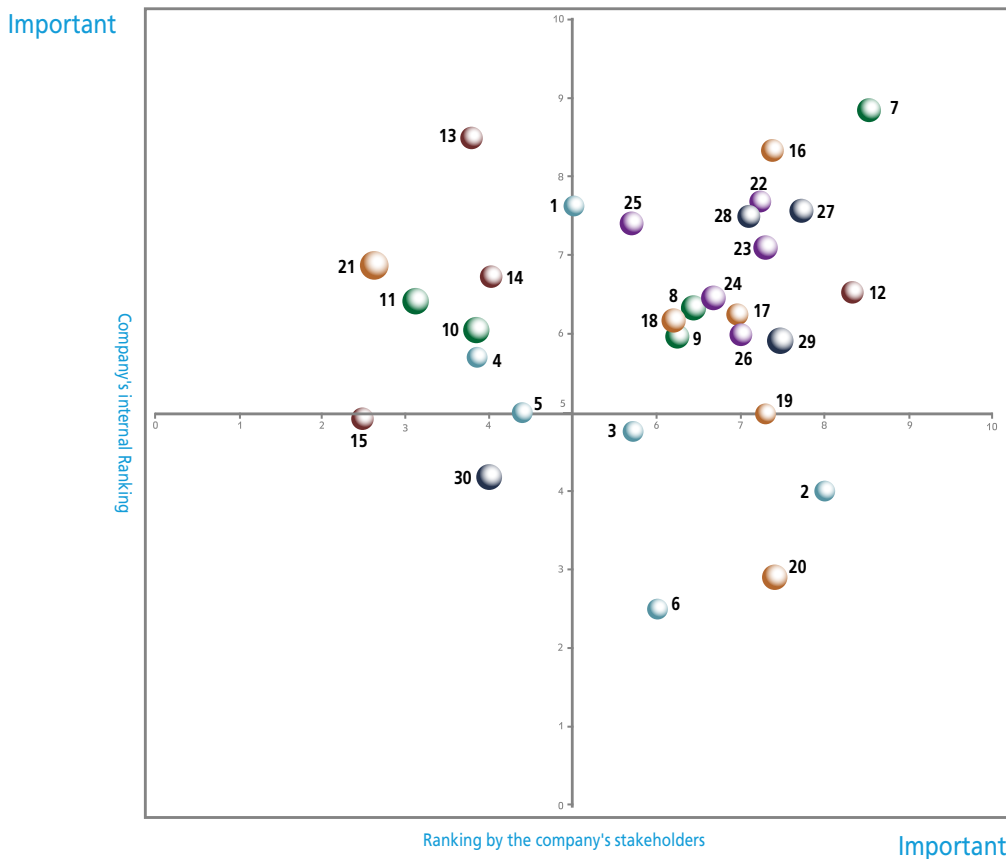
The Materiality Matrix

At the end of the process of evaluating the material issues with all of the Company's stakeholders, the material issues were graded by level of importance. The grading that was assigned helps the Company management and Board of Directors to concentrate financial and managerial resources and assign them in favor of advancing and positively influencing those issues which have been found to be of the highest impact. In this context, sixteen issues were identified as being material to the Netivei Israel business, and which are of the utmost importance to the stakeholders and

to Netivei Israel. Besides this there are another fourteen issues of lesser impact in the above grading, but which are of importance to the Company's business, and therefore resources will be invested in them in the long term.

The findings of the survey and its analysis are presented in the chart below, and include the issues which have been defined as being the most highly-material to the Netivei Israel stakeholders and to the Company management.

Analysis of Materiality matrix



Employment environment

- 1 Career tracks and employee promotion
- 2 Health and safety of employees
- 3 Personal development
- 4 Professional development and satisfaction
- 5 Ethical climate
- 6 Occupational variety

Environmental protection

- 7 Environmental planning
- 8 Environmental protection system management
- 9 Biological diversity
- 10 Efficient use of energy and handling change
Climate
- 11 Green construction

Society and community

- 12 Promotion of knowledge and strategic cooperation
- 13 Sharing, dialog and public involvement
- 14 Involvement of employees in the community
- 15 Accessibility and connectivity

Road users

- 16 Road safety and hazardous locations
- 17 Technological improvement
- 18 Satisfaction of the road users
- 19 Intermodal traffic concept
- 20 Congestion management
- 21 Communication of information and public relations

Corporate governance

- 22 Foreign relations and cooperation
- 23 Ensuring ethical values
- 24 Reporting and transparency
- 25 Risk management
- 26 Sustainable development policy

Chain of supply

- 27 Promotion of branch innovation
- 28 Performance monitoring and control
- 29 Responsible procurement
- 30 Dialog, empowerment processes and satisfaction management

Organizational Structure of Corporate Social Responsibility Management at Netivei Israel

The Corporate Social Responsibility Director is charged with the professional formulation, in the outline of the strategic plan on Corporate Social Responsibility and sustainability. He is responsible for implementation of the planning policy according to the decisions of the Board of Directors and the Company CEO, who approve the external reports to the Government Companies Authority and the Corporate Social Responsibility report, which is distributed to the general public once a year.

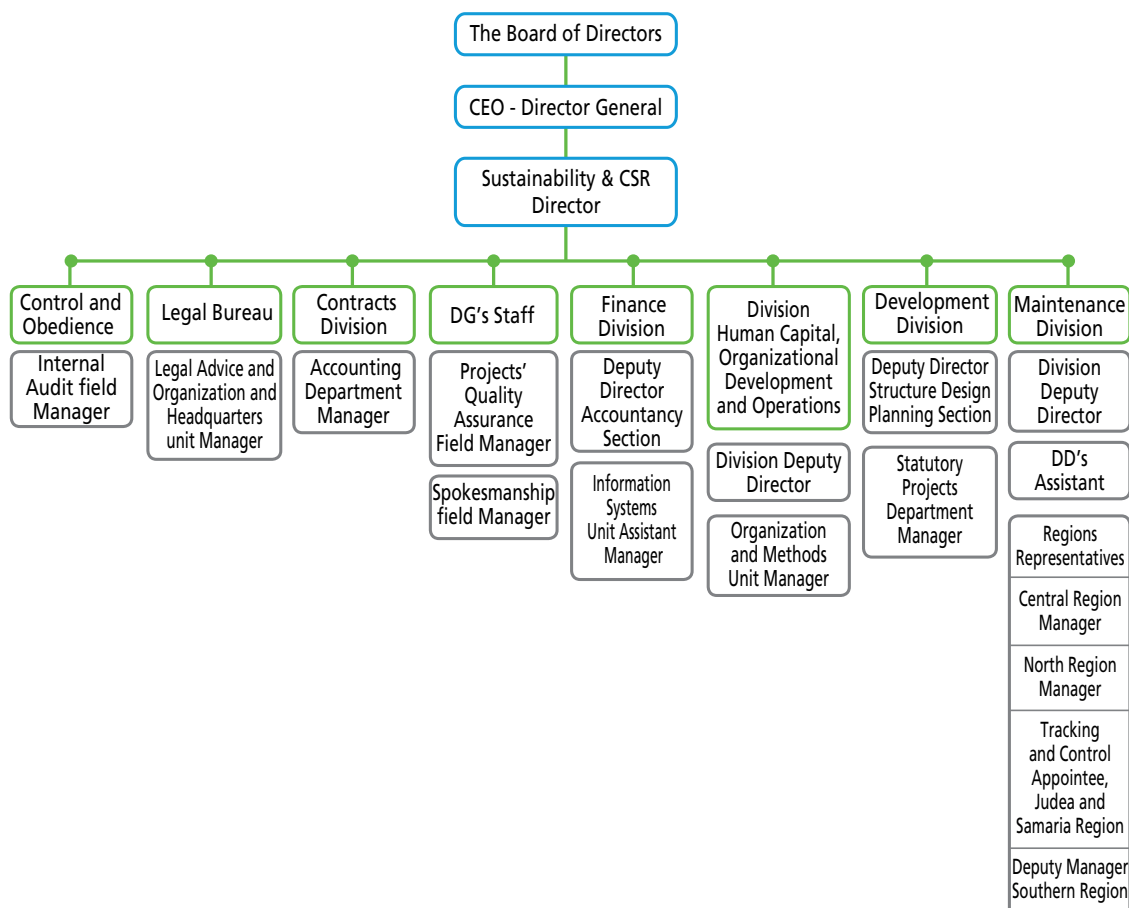
As part of his role in forming an annual work plan jointly with the other divisions, the Corporate Social Responsibility Director works to promote quality standards as a management tool. He promotes training together with the Training and Organizational Development Division for the Company employees and for the supply chain through a variety of channels. promotes ne processes and initiatives, participation in research and activities in Israel and worldwide with the intention to have Netivei Israel continue to be a learning organization in the area of Corporate Social Responsibility and sustainable development.

The Corporate Social Responsibility Director is also responsible for managing the reporting system to

the Government Companies Authority. This includes writing and producing the Company's sustainability and Corporate Social Responsibility report and distributing it among the Netivei Israel stakeholders. The assimilation of this issue within the Company's ongoing activity requires an understanding and involvement in the day-to-day processes Netivei Israel deals with. Therefore, each one of the Company divisions has representatives who, besides their role, work on advancing issues of sustainability. They assist in collecting and controlling the periodic data and transfer the data to the Corporate Social Responsibility Director. The Corporate Social Responsibility Director reports directly to the Netivei Israel CEO and to the Staff Units Manager.

The Company CEO receives an ongoing report on the progress of the performance and accomplishment of the multi-year strategic plan. The Company Board of Directors receives quarterly reports from the Corporate Social Responsibility Director.

The following diagram shows the organizational structure of the sustainability management in the Company:



Shared Value in Government Companies

The concept of Shared Value claims that business organizations must work to generate business profit, while at the same time also creating benefits for the public environment and for the community. Whereas the business profit is expressed in financial results such as increasing revenues and/or cutting costs, social benefit can be expressed in a variety of ways. For example, reducing pollution, assisting marginalized populations and so forth. .

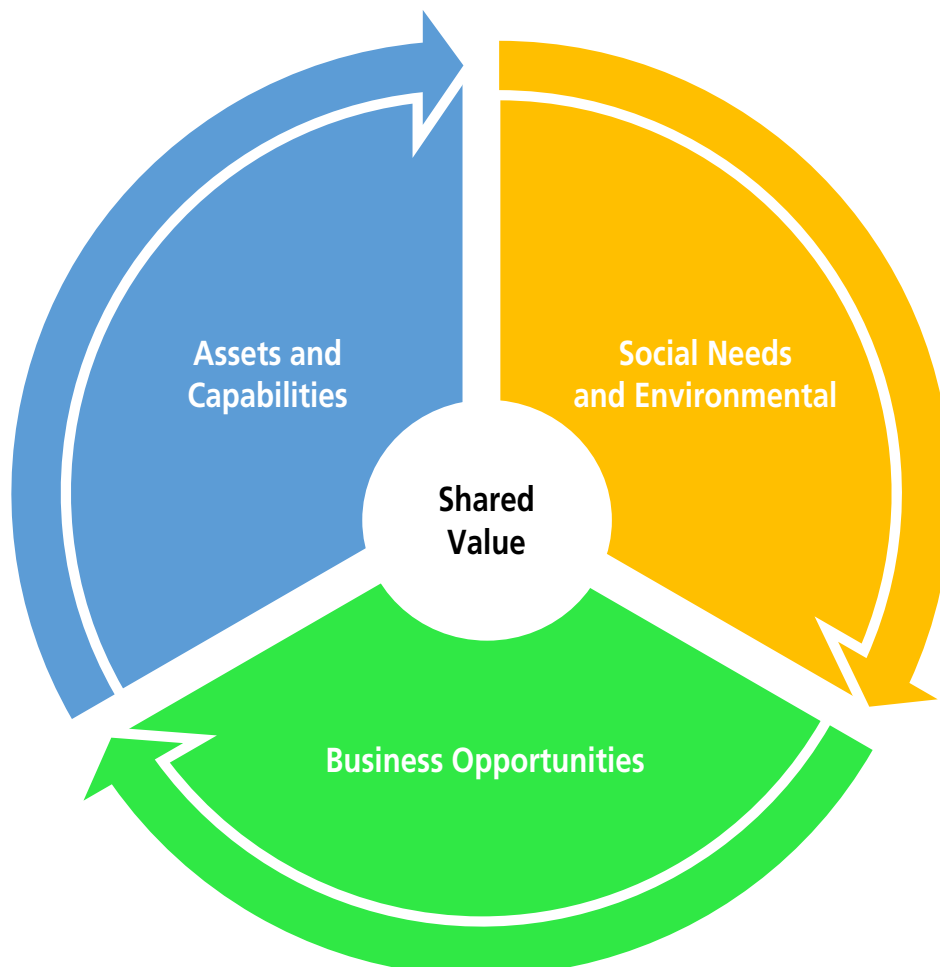
At the root of this concept is the basic assumption that social benefit and/or environmental benefit is not an obstruction for commercial enterprises, but rather a potential growth, economies and innovation engine. The assumption is that through application of the Shared Value concept in the working routine it will be possible to identify new target audiences, to develop innovative products and to improve work processes. Thus there will be a "double profit line" - business profit alongside social benefit

The government companies, which are commercial companies with substantial assets and abilities, besides having economic and national value and being under government ownership, are natural candidates for adopting a Shared Value strategy.

Adoption of the said strategy, considering the magnitude of the government companies' business, has significant potential to create a substantial impact on society and the economy in Israel. It enables companies to advance

the United Nations' sustainable development goals, which were endorsed by the government in government decision 4631 dated 14.7.19. Moreover, in view of the fields in which the government companies do their business and the fact that they are government-owned, it is only right that these should be the companies that lead the Shared Value strategy in Israel and serve as a model for other companies in having the Shared Value be an integral part of the Company's strategic plan.

In view of the request from the Government Companies Authority, the Netivei Israel CEO appointed a Corporate Social Responsibility Director for the Company - Adi Gamliel - to assist in forming the policy on this issue, thereby encouraging the rest of the government companies to implement this principle. Following a directive from the Netivei Israel CEO, Shared Value processes have been integrated in the Company's divisions' work plans for 2020, which will be expressed in the Corporate Social Responsibility Report, which reviews this year.



The Economic Social Forum

The Forum was established under the leadership of the presidium of the business sector in view of the realization that there are thousands of business enterprises operating in Israel advancing the economy, spurring growth, industry and employment and, alongside these there are thousands of social organizations promoting social initiatives and agendas. Most of the organizations, on both sides, operate along parallel lines, with no synchronization or coordination. They do not leverage their tremendous combined strength into a significant impact on the challenges of Israeli society.

Netivei Israel joined the Economic Social Forum in 2019 at the initiative of Adi Gamliel, Director for the Corporate Social Responsibility and Sustainable development.

Members of the forum include CEOs and owners of leading business enterprises, Strategy VPs, Corporate Social Responsibility and Sustainability Managers, CEOs of leading non-profits alongside academic and philanthropic institutions. Their main objective: to influence the public agenda and together, alongside the government, to serve as a multisectoral engine, joining hands to find comprehensive solutions with business-social value for substantial issues we are destined to grapple with in the coming decades, and to work to find comprehensive solutions for them. The first challenge which was chosen by the members of the Economic-Social Forum was the productivity challenge.

Israel's core challenge - workforce productivity. The per-hour productivity in Israel (workforce productivity) is 24% lower than the average in the OECD countries. This gap has not been narrowing over recent decades. Productivity is an important index of the growth potential of a country's economy and the improvement of its citizens' standard of living (1994, Krugman). Bridging the gap requires a policy which crosses ministerial and organizational lines, and necessitates an overview and strategic thinking which will enable continual synchronization between all of the sectors operating in the field: government, businesses and civil society organizations.

To raise workforce productivity there is a need for integrated active work along a broad front of issues. International experience, too, shows that to achieve the target of improving workforce productivity there is a need for an overriding, integrative entity that will be charged with forming the policy and leading all of the executive branches toward accomplishing this goal. A person that will, among other things, make sure that

the advantages of the synergy between academia and civil society, industry, government entities and private entities, will be maximized. Someone that will track, on an ongoing basis, the success indices in each one of the vectors of change of the problem.

The change vectors are divided into sectors, geographic regions, regulation and government relations.

The VP Resources & Administration at Netivei Israel promotes one of the main vectors - the change vector which was set up with the IDF. A vector which develops planning of a continuum between education, military service, knowledge/skilling and employment. Netivei Israel's natural inclusion in the committee is intended to advance the program of continuum and placement of discharged soldiers in quality positions, to map and locate the economy's needs and to provide an equal opportunity for success. Netivei Israel identified a failure related to occupation for people aged 45 and above. And since there is, in the military, a population of servicemen and women who are being discharged in that age group, we chose to help in building the continuum by focusing our efforts on that population. Netivei Israel is included in the forum also from the aspects of contribution in the fields of human resources, innovation and infrastructures, which are a key factor in increasing productivity. This also includes placing Netivei Israel's CEO, Mr. Nissim Peretz, on the Businesses Round Table Israel - according to the American model. This model assumes responsibility for assisting in building a robust, sustainable economic future by creating quality workplaces, a quality continuum of skilling and employment assuring decent pay, which advances sustainable national productivity. This requires a range of activities in order to increase the opportunities and raise the standard of living, as well as advancing a public policy facilitating an improved opportunity for people of all backgrounds to maximize their potential.

MAALA Rating

MAALA is an umbrella organization of Israel's leading corporations on issues of corporate responsibility. Its main purpose is to increase awareness of the business sector to the importance of corporate responsibility. MAALA works to promote issues within this field and to develop the standards of responsible management in Israel. The organization uses a methodological tool which rates the performance of Corporate Social Responsibility and sustainability among public, government and private enterprises. The rating evaluates the Company's activity in several fields. Netivei Israel joined the organization as a peer. The Company's sustainability manager leads the

trend among government companies to join the rating through dialog in the forum of sustainability managers in government companies.

In 2016 Netivei Israel took part in shadow rating. In 2017 Netivei Israel participated, for the first time, in the public rating and was ranked in the Gold category. In 2018 the Company was rated in the platinum category in the public rating. In 2019 the Company's rating is in the platinum + category, which is the highest category. The Company's target for 2020 is to retain its success and improve its positioning within the platinum + category.



International activity - round table - FEHRL

FEHRL - the Forum of European National Highway Research Laboratories - is an international association numbering more than thirty-two national research and technical institutes, including members in all of the EU countries, the EFTA countries and the East European countries as well as Australia, Israel and the United States. FEHRL's mission is to advance and facilitate cooperation on highway research and to provide high-quality knowledge and advice on highway-related technologies and policy, where teams from the national institutes provide the technical input for all projects.

In 2019, a round table took place on the issue of sustainability. It was initiated by the knowledge management department and was supported by international collaborations and by the Sustainability and Corporate Social Responsibility Division.

Actively participating were government companies, representatives of universities in Israel, the Israel Nature and Parks Authority, the Society for the Protection of Nature in Israel. The discussion was on ways of promoting sustainability in joint studies with FEHRL.

The organization's plans were presented in the meeting, its current and future studies and research on sustainability, the options available in the short, medium and long term for knowledge sharing and for continued cooperation between Netivei Israel as a representative of Israel's infrastructure companies in the forum.

FEHRL's goals are to promote the following, through specification and assignment of research:

- Improvement of the energy efficiency of the operational engineering and the operation of transport infrastructures.
- Protect the environment and improve the quality of life.
- To provide scientific input for the European and national governance policies on issues of road engineering and highway transit.
- To create and maintain a safer, more efficient highway network.
- To stimulate innovation in infrastructure and road building and in the related industries.



TAIEX International Conference - Efficient Energy Use

It is now more obvious than ever that we have got to advance processes and products with which it will be possible to improve our energy efficiency. Existing resources are finite and dwindling, we have got to transfer as many as possible of the business sector's activities to using renewable energy (solar, wind etc.). Efficient energy use enables an organization to continue to deliver the required services while consuming less energy (mainly electricity). There are advantages to this efficiency process at three levels.

- At the organizational level - reducing the use of energy means less energy expenses. Energy consumption at Netivei Israel accounts for NIS 65 million per year, which is a sizable portion of its total expenses.
- At the national level - reduction of energy consumption is immediately translated into a reduction in the burning of polluting fossil fuels in power stations and a reduction in the emissions of toxic gases and particles. In the intermediate and long term, efficient energy use will reduce the Israel Electric Corporation's need to construct more infrastructure, which in turn will reduce costs to the public and will reduce environmental damage caused by these infrastructures.
- At the global level, fossil fuel burning in power stations increases concentrations of greenhouse gases. These gases, even if not toxic in themselves (for example carbon dioxide), strengthen the greenhouse effect and have been proven to be contributors toward climate change.

In 2019, Netivei Israel hosted an international conference on efficient energy use. This was the initiative of the Organizational Training and Development Division and the Corporate Social Responsibility Director, jointly with the Ministry of Transport. Participants in the conference included representatives from European countries who presented plans and trends currently existing in the European Union regarding energy efficiency in transport infrastructures, groundbreaking methods and technologies for integrating considerations of efficient energy use in highway infrastructures throughout all of the phases of the life cycle of highway infrastructures - beginning with the initiation, planning, construction and through to maintenance.

At the conference, the Manager of the Planning Department in the Operations and Maintenance Division introduced the work being done regarding efficient energy use and the research on biodiversity, and light pollution. The Corporate Social Responsibility Director introduced Netivei Israel's vision on these issues. The conference was attended by representatives from various government ministries, government companies, the Government Companies Authority, representatives of the Forum of Corporate Social Responsibility and Sustainability Managers in the government companies, representatives of the Israel Defense Forces, environmental organizations, government authorities and NGOs working on nature conservation and the environment.

The main topics that were presented at the conference dealt with:

- Waste prevention: ways of preventing unnecessary use of energy in highway infrastructures
- Technological improvements: use of emerging technologies around the world for reducing energy usage in development and maintenance of infrastructures
- Changing behaviors: raising awareness, education and outreach as a vector of conceptual changes, intra- and extra-organizational





International Research INFRA4DFUTURE

Netivei Israel's work in the international arena as a learning organization is expressed through the Knowledge Management and Foreign Relations Department within the Training and Organizational Development Division at all times.

Advancement of the concept that a well-functioning network of transport infrastructures is vital to achieving Europe's ambitions and goals in terms of competitiveness, growth and job creation, aligning with the UN 2030 Agenda and with related sustainability goals, which the European Union helped shape, requires that Netivei Israel be an inseparable part of this

In 2019, at a conference in Thessaloniki, Greece, Netivei Israel's Corporate Social Responsibility Director introduced the activity Israel Roads has been doing on Corporate Social Responsibility and sustainability, the Company's strategic plan, the dialog with stakeholders and the materiality matrix which was done following the strategic plan which provides the Company management with a stage on which to coordinate its focus in this area.

The ongoing knowledge sharing at Netivei Israel on infrastructure sustainability and Corporate Social Responsibility is vital for infrastructure companies in Europe. The continual weighing of the demands and needs of the economy, society and the environment poses the countries and government companies in the infrastructure business with sizable investment challenges. This investment challenge is the main reason why many countries in Europe are interested in working on feasible strategic processes which overlap global initiatives such as the United Nations' Sustainability Goals - SDG's. Considerations of developing the appropriate infrastructure optimized to the needs of the end users. The ability to deliver the optimal capacity of the transport infrastructure network. In order to address the growing transport needs, to balance costs, performance and safety against the considerations of the economy, environment and society in each process.



The main thrust of the research deals with three main points:

- Infrastructure which is compliant with the requirements of social and environmental sustainability. The ability to integrate the transport infrastructure networks into their nearby surroundings, while optimally balancing between economic, social and environmental interests.
- Infrastructures which gain added value from digitization. The ability to take advantage of the digitization in the internal transport infrastructure management processes (for example: planning, design, construction, operation, end of service life), and also in the connection between transport infrastructure management and the end user (smart mobility and logistical services, handful of end users).
- Infrastructures which address the sustainable environmental and social needs - the ability to integrate infrastructure networks in the network traffic in the near surroundings, while better balancing between economic, social and environmental interests.

The meeting was attended by several representatives from transport infrastructure companies in Europe. The issue debated was: What is the optimal contribution of infrastructure companies toward the adaptation to climate changes and how do they help comply with the UN targets.

- Minimizing the carbon footprint throughout the entire service life of the infrastructure and compliance with the COP21 targets in the context of European goals and targets.
- Cooperation to minimize the influence of noise, vibrations and pollutant emissions.
- Integration of processes which energetically streamline the activities of the companies, such as the use of warm blends and creation of platforms for generating renewable energy such as solar panels throughout the pavement's lifetime.
- Methods of manufacturing, renovating or rehabilitating transport infrastructures in an effort to substantially prolong the functional lifetime of the infrastructures.
- Inclusion of refueling and recharging infrastructures for electric vehicles, including saving on energy in the rest of the parking areas.
- Lighting systems which can adapt to reduced energy consumption based on the traffic volume, bright lighting values and road characteristics. Use of alternative ways of strengthening the light at the entry to tunnels by deploying natural light via mirrors and waveguides.
- Conserving biodiversity in the space adjoining the transport infrastructure





Our commitment to Responsible Management

Netivei Israel is one of Israel's economy's main growth engines. In its work it implements innovative solutions from the worlds of engineering, control and quality assurance, commitment to values-driven conduct in accordance with norms of Corporate Social Responsibility and corporate governance, both in its ongoing work and vis-a-vis its stakeholders. This is done out of a vision of advanced, sustainable living environment wherever it operates. The values specified in the Company's code of ethics drive the way it behaves properly toward the Company employees and its managers in its daily work and in the decision-making processes.

Netivei Israel has been nicknamed "The country's engineer" due to the fact that Netei Israel has since 1921 been leading the development of the national transport systems in the State of Israel. Netei Israel is a government company linking all corners of the country through laying a network of rapid, efficient transport systems.

The Company's management is located in the city of Or Yehuda, from where it controls the Company's work all over the country. The Company does not have any subsidiaries. Netei Israel operates solely within the boundaries of the State of Israel. It does not operate abroad. In addition to the Company headquarters, it is distributed in four regions: Northern region, in Nazareth; Central region - at the Highway 431 control center; Judea and Samaria region - in Mishor Adumim; and the Southern region - in Beer Sheva. This regional division enables rapid response in each region separately, and allows for the ability to manage road maintenance more effectively.

In 2019, Netei Israel accomplished its goals and carried out its updated work plan in full, including execution of 103% of its approved budget. In the course of 2019, dozens of new projects were agreed with the Ministry of Transport and the Ministry of Finance to advance

availability and for statutory planning, which will form the basis for the Company's coming five-year plan and will allow continuity of its activity through the transition from one five-year plan to the next.

2020 began under a cloud of budgetary uncertainty due to the political stalemate and the deficit in the state budget. Netei Israel's original work plan was submitted in November 2019, however in December 2019 a third election was announced, meaning that the government is expected to function without an approved budget for most of the year. As of today a budgetary framework has not been approved for Netei Israel or even for the Ministry of Transport and Netei Israel has been requested by the Ministry of Finance to update the work plan several times in an effort to reduce cash spending. Ad the political and budgetary situation clears up, it is possible that Netei Israel's work plan will have to undergo additional updates in the course of the year.

In 2019, 20 major construction tenders reached maturity and dozens of projects were opened for traffic, including 6 large, major projects for the road users. With the completion of these projects, besides additional projects from the previous multi-year plan, the Company delivered the State a savings of over 1.3 billion Shekels.

Additionally, an international tender was issued for the design and for managing the construction of a complementary airport to Ben-Gurion Airport, and also a competitive, innovative framework tender was issued to contractors, in which numerous bids were received from new bidders who had not in the past been on the Company's repository of contractors. In October 2019, work began on Highway 16, a PFI project for the creation of an additional entrance to Jerusalem, by building a road to connect between the Motza Interchange and the neighborhoods in the west of the city. In 2020, 25 more sizable construction tenders are expected to come to fruition, including realization of an expansive plan, and thus most of the tenders which had been scheduled to be issued in the current five-year plan will have been issued.

As part of the intensification of public transport, Netivei Israel will be investing about a billion Shekels in 2020 (one-third of the investment in development projects) in advancing dozens of HOV lane and railway track projects, where topping the list is the Eastern railroad and the fourth Ayalon track - game-changing transport projects. According to the Company's forecasts, the investment in public transport infrastructures is expected to grow even further in coming years.

2020 is the second year in which the Company has to cope with a shortfall in its maintenance budget - this in contrast to the first two years of the five-year plan, in which the maintenance budget enabled the Company to provide an adequate response for maintenance of the road network under its responsibility. 2019 saw the halting of vital maintenance works due to lack of funds, and also in 2020, the maintenance budget continues to pose a managerial and professional challenge, which has topped the Company's list of priorities.

In 2019, a maintenance budgeting model was devised, and in 2020 Netivei Israel will work to get the model approved as the basis for multi-year budgeting. In 2019 also, advanced traffic management systems were implemented - a bus on shoulder management system and a traffic management system for highway 531. In 2020, more innovative systems will be developed and customized in an effort to transition from a traffic control concept of operation to a traffic management concept. As every year, the Company has placed

tremendous emphasis on safety projects. Dozens of projects were started and completed in 2019 to address danger spots and safety projects. In 2020, the Company will continue to carry out many more safety projects to upgrade the safety of the road users. A decision was reached at Netivei Israel in 2019 to issue bonds as a budgetary source for financing economically worthwhile projects whose execution nowadays is not possible due to the state budget deficit. The issue underwent consideration and the finding was that there is a high degree of economic worthwhileness for execution of highly-beneficial development projects for the economy - a project to replace lighting to smart LED lighting, investment in road surfacing etc.

Netivei Israel will advance this issue in 2020 with State representatives and will work to obtain their approval for this initiative. Netivei Israel is investing in development of information systems which will support the Company's work and streamline many processes. In 2020, the Company is expected to invest an unprecedented sum of NIS 60 million in these systems and in the development of new systems, including a nationwide infrastructure coordination system. This system will serve all of the infrastructure companies and will significantly improve and streamline the planning processes and the coordination between them.

In 2019, Netivei Israel completed the recruitment and manning of the core engineering roles as part of the staffing targets approved by the Board of Directors. The Innovation Division was established in early 2020 with the hiring of a new VP, and later this year the establishment of a new PPP Projects Division is planned as well as an electrification sub-division in the Railway Infrastructures Division, as part of a strategic move by the Company to integrate the capability and to create a knowledge center in these areas. Also in 2020, the Service Sub-Division is about to be established to serve all of the road users.

Netivei Israel is a future-oriented strategic infrastructure body. We look toward the future of transport and the development of infrastructures through an innovative, modern perspective, in order to substantially improve the infrastructure usage experience in terms of quality and safety of the road users.

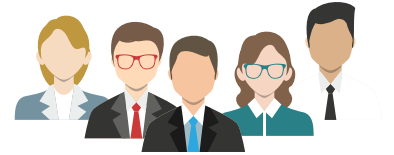
Let the Numbers Talk

A multi-year distribution of the Company's main financial performance (thousands of NIS)



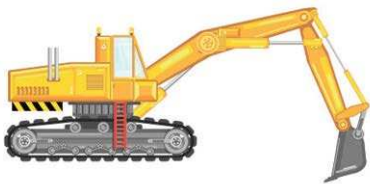
Annual budget

₪ 5,223,477,000



Employees

448



21

Publication of tenders

Worth 5,539,000,000 nis



650



Projects



3500

Vendors





Bridges and tunnels

1,558 meter



Intersections

2,941 unit



Roads' length

8,253 km

Company headquarters

- Or Yehuda

Operating and maintenance areas

- Northern Region, Nazareth
- Central Region, Control Center, Highway 431 Ein Hakore Interchange
- Eastern Region, Mishor Adumim
- Southern Region, Beer Sheva



Traffic signs and signposts

99,737 unit



Traffic cameras

248 unit



Interchanges

137 unit



Gardening areas

25,644 Acres



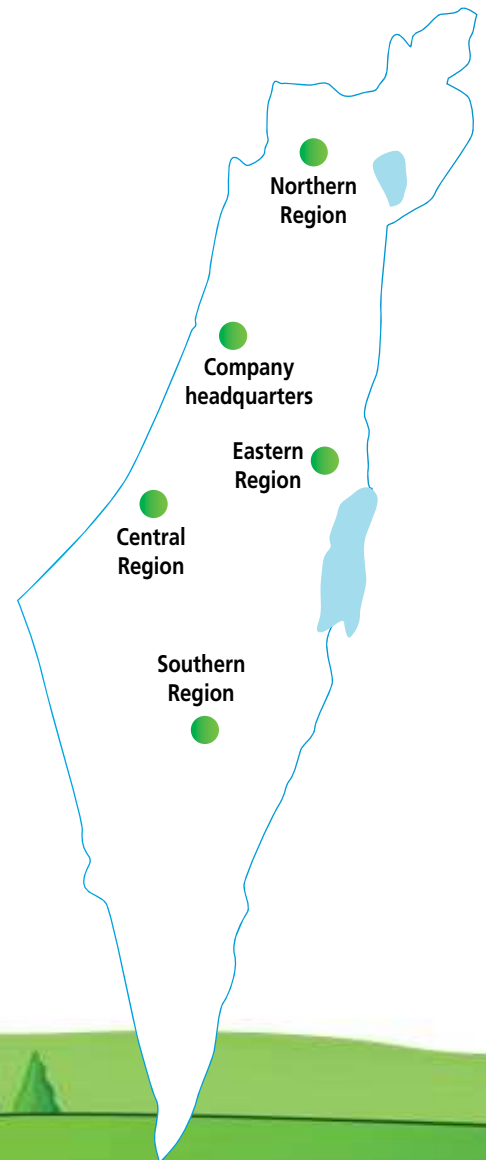
Lighting points

100,212 unit



Railings length

5,827 meter



Company Assets

P&L

	2019	2018	2017
Revenues	NIS 5,231,209.00	NIS 5,200,295	NIS 5,397,628
Cost of works	NIS 4,984,247.00	NIS 4,970,635	NIS 5,189,525
G&A expenses	NIS 242,511.00	NIS 224,383	NIS 206,013
Net operating income	NIS 4,451.00	NIS 5,277	NIS 2,090
Financing revenues	NIS - 2,481.00	NIS - 516	NIS -608
Post-financing profit	NIS 1,970.00	NIS 4,761	NIS 1,482
Other revenues (expenses)	NIS 5,866.00	NIS - 597	NIS 1,899
Net profit	NIS 7,836.00	NIS 4,164	NIS 3,381

Cash execution

	2019	2018	2017
Development	NIS 3,827	NIS 3,387	NIS 3,531
Maintenance	NIS 1,250	NIS 1,687	NIS 1,833
Organizational	NIS 244	NIS 223	NIS 198
Total	NIS 5,321	NIS 5,297	NIS 5,562

Direct economic value generated by the Company

	2019	2018	2017
Operating costs	NIS 4,984,274	NIS 4,970,635	NIS 5,189,525
Wages	NIS 165,317	NIS 151,620	NIS 138,551
Accumulated profits	NIS 128,284	NIS 123,044	NIS 117,532

Company execution distribution

	2019	2018	2017
Development Division	72%	64%	63%
Maintenance Division	23%	32%	33%
Organizational Budget	5%	4%	4%

* Beginning in 2019, the Company chose to present the execution data in lieu of the budget data. The comparison figures were classified accordingly



Ethics

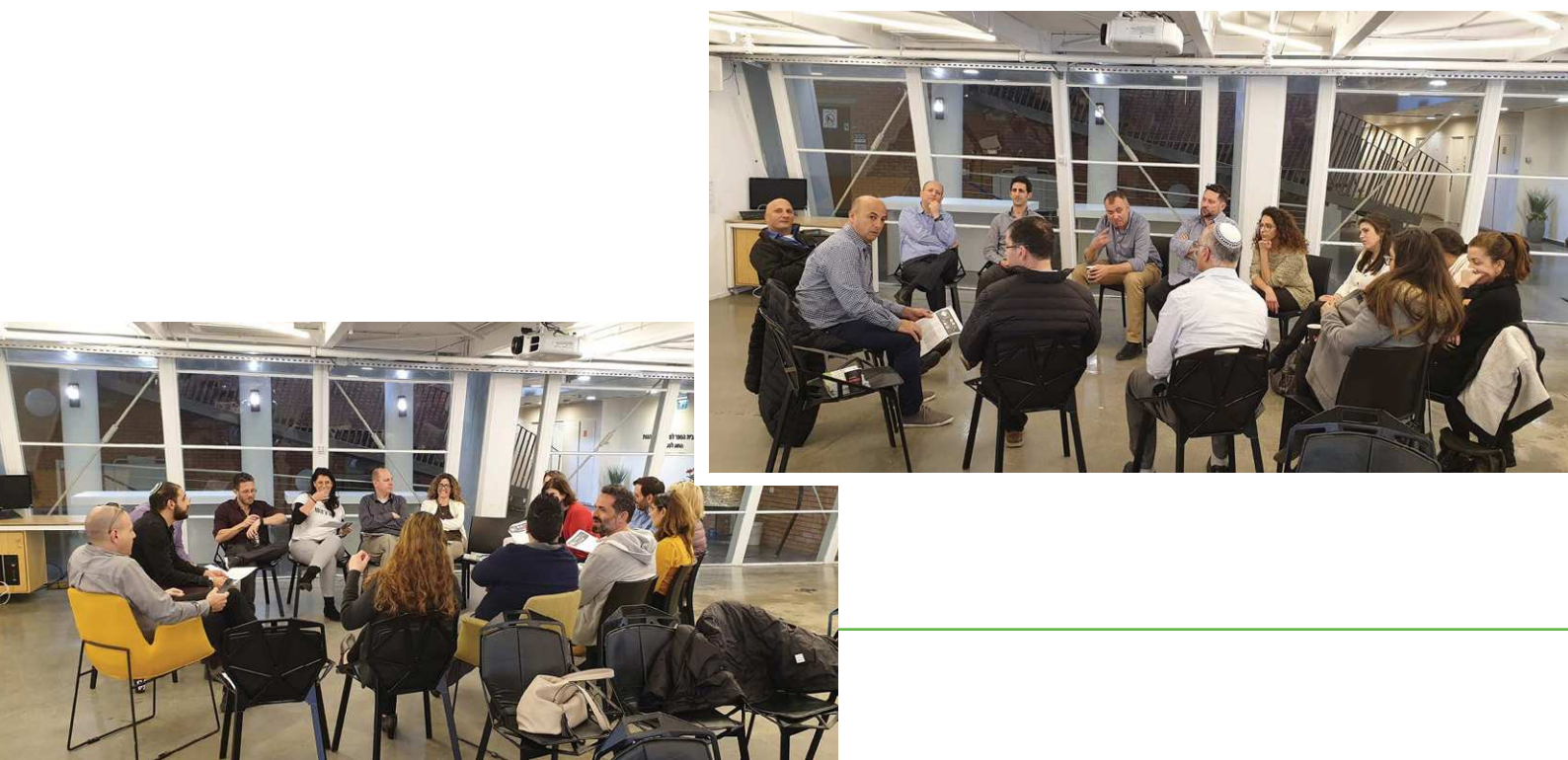
As part of the Company's strategic plan, the ethics committee operated in 2017, as part of the team tasked with integrating culture, values and ethics. The committee was headed by the Company CEO, the VP Operations and Maintenance Division, the Company Comptroller, the Chairman of the Ethics Committee, the Ethics Commissioner and the Manager of the Training and Organizational Development Sub-Division.

The team's goal was to firm the values and to outline the desired corporate culture, to be compatible with these values, in such a way that they would support any long-term vision and strategic plan which would be decided upon in future. Assimilation of the values and corporate culture among the employees, in such a way that they would serve as an organizational and ethical compass for conduct in practice and a vector for high performance. In addition, it is intended to narrow the gaps between the declared values and the conduct in the field. The gradual roll-out of the process began with mapping the Company's corporate culture (cultural and values) and ethical dilemmas by involving some 60 employees - male and female - from all divisions and management levels - in special workshops. These individuals chose the values according to which they believe the Company ought to operate and work. The employees translated these values into everyday values and actions and they formed applications into an ethical culture - corporate culture mechanisms with a professional ethic at its core

Ethics committee - in the course of 2016 an ethics committee was set up in the Company. The committee's main role is to drive an ethics conversation in the Company, to serve as an address for cross-organizational ethical issues, to raise awareness among company employees of their commitment to conduct themselves in accordance with the Company's code of ethics, to discuss fundamental ethical issues from the systemic, pan-organizational aspects. The committee includes representatives from across the entire company. Chairperson is the Corporate Social Responsibility

Director, the Company Ethics Commissioner serves as a professional authority in the committee and is also the deputy chairperson. The manager of the Training and Organizational Development Sub-Division serves as the authority in charge of everyday assimilation of this issue in accordance with the approved work plan.

The ethics committee convened in 2019 for 8 meetings in which they discussed implementation of the committee's work plan intended to promote the ethical conversation, which includes communicating a quarterly value by the Training and Organizational Development Sub-Division, which is charged with disseminating the program. The consultation channels for the Company's employees and suppliers were refreshed in terms of ethics. Additionally, in 2018 and 2019, surveys were conducted to gauge the ethics climate among the Company employees and ethical issues were included in external surveys which included all of the Company's suppliers. The results of these surveys were presented to the members of the ethics committee and to the Company CEO. As part of the work plan, it was decided that a kit would be prepared, tailored to each division, with ethical dilemmas related to the respective division's work. A conversation was held between the division manager and the sub-division managers about the ethical dilemmas that could arise in the course of ongoing work. Workshops for the divisions are being held on the basis of these dilemmas to cover the ethics issue. A dedicated ethics workshop is planned for the future for the Company's entire management hierarchy.



Quality Standards

The Organization & Methods Sub-Division manages the entire set of quality standards. During the year the Sub-Division conducts internal audits for all of the Company's sub-divisions, carries out standards-related activities with the divisions, works to resolve any of the Company's non-conformities and prepares the Company for the annual supervisory audits of each one of the standards. In 2019, some 80 internal audits and four external supervisory audits were conducted.

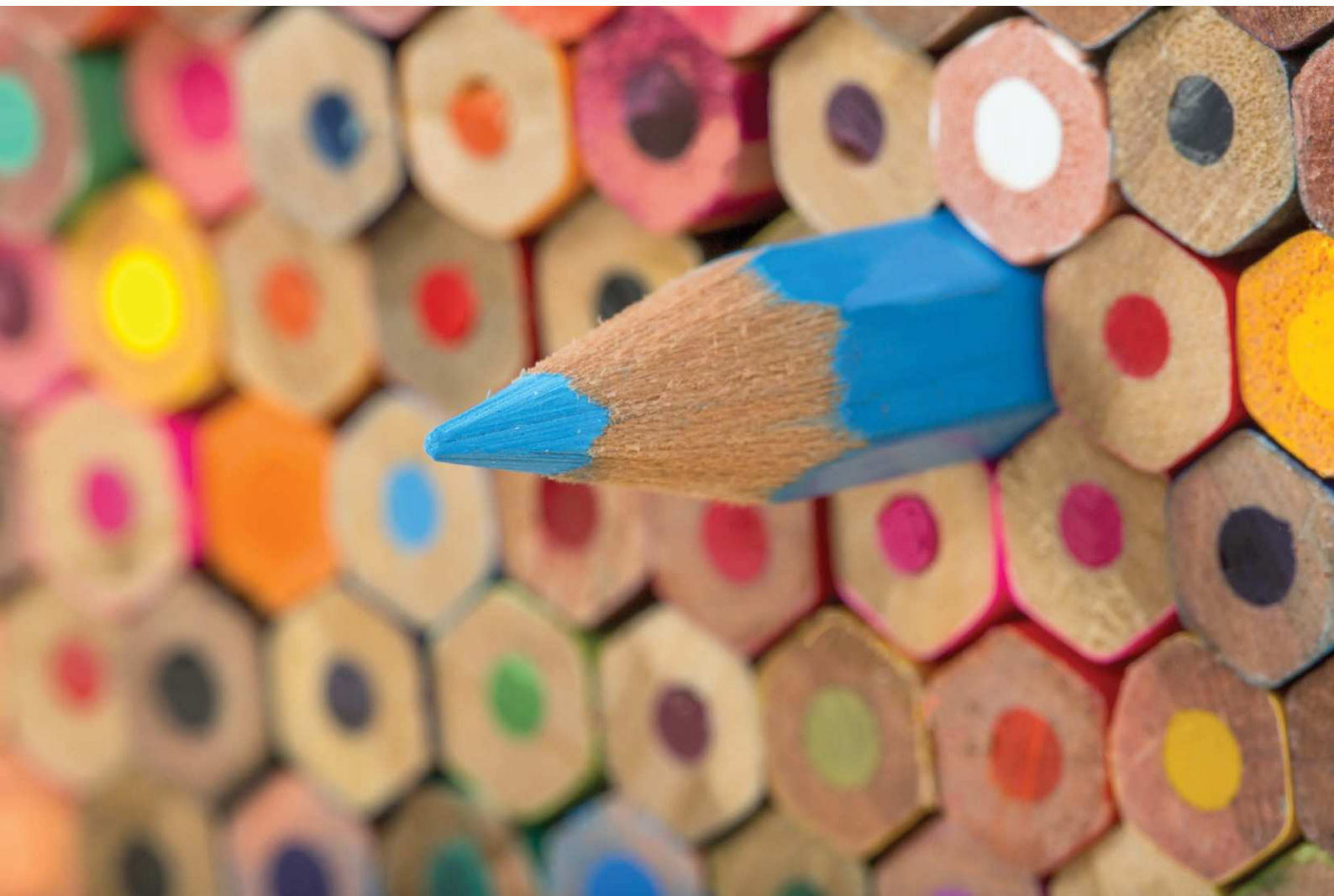
The Company is certified to four quality standards:

Standard ISO 9001:2015 - Quality Management System: the main purpose of this standard is to ensure that the Company's products and services are suited to the customers' quality requirements and to achieve continual improvement in all of the Company's business activities, through measuring performance, focusing on the customer and improving processes.

ISO 45001 - Occupational Health and Safety Management: this standard specifies requirements for the occupational health and safety system and enables the Company to form and accomplish a policy and targets in this field, taking into consideration legally-mandated requirements and information on health and safety hazards. In 2019, the Company complied with the requirements for advancing to the standard's new release.

Standard 9301 for Transport Safety & Quality Management: Netivei Israel is certified to SI 9301 of 2010. The principles of the standard are based on the principles of the Quality Management Standard [ISO 9001] and the Safety Management Standard [OHSAS 18001]. Certification to a standard and implementation of the standard's requirements result in a reduction in malfunctions, accidents, and having to deal with vehicle damage and bodily harm. They even yield considerable savings and streamlining of the ongoing operation of the vehicle network as well as the quality of the Company's conduct.

Standard ISO 14001 - Environmental Management System: a standard which specifies the requirements for an environmental management system which the Company can use to improve its environmental performance. Adoption of the standard enables methodical management of the Company's environmental responsibilities and it also enables accomplishment of the results expected from its environmental management system.



Knowledge Management and Foreign Relations

Netivei Israel places considerable emphasis on managing the knowledge in the Company, which is part of the Company's learning system. The Knowledge Management and Foreign Relations Department is part of the Organizational Training and Development Sub-Division. It operates at two levels: one level is managing the knowledge within the Company. The second level is external relations (both in Israel and internationally) for exchanging knowledge and information. The core of its activity is to create new knowledge, to bridge gaps and enrich expert knowledge, which contributes toward improving the performance in Netivei Israel's projects.

The department's activities are numerous and diverse. They include lessons learned, preparation of retirement files and new employee induction files, risk management in terms of loss of knowledge within the Company, research, repositories and information management, certification tests and knowledge questionnaires, running focus groups, debates and learning forums, initiation and holding of conferences and lectures for knowledge sharing, managing the research system, surveys and statistics in the Company.

Knowledge centers: one of the main aspects of knowledge management in the Company is the setting up of topical knowledge centers for various units such as: Maintenance Division, Airport Administration, the Railway Division, the Legal Department, Contracts Sub-Division, the Customer Service Center, Special Projects Sub-Division. The knowledge centers perform a smart aggregation of all the theory in their respective fields, sorting it by learning topics relevant to each field. Master documents are aggregated in each knowledge center, explaining that field's theory of operation. Other content includes maps, diagrams and aids necessary to gain an in-depth knowledge of the field and also insights from professionals within the Company and outside it. The contents in the knowledge center are made accessible, according to their level of classification, to the Company employees and/or to other stakeholders. As part of the project of setting up knowledge centers, cross-company knowledge sharing meetings will be held, as well as knowledge sharing meetings with experts outside the Company.

The Knowledge Management and Foreign Relations Department leads the processes to create new knowledge and to build the capabilities of Netivei Israel in order to be able to cope with future challenges in new, complex engineering disciplines. For example, railway track electrification and tunneling. As part of the Organizational Development and Training Sub-Division in the Company, the Knowledge Management and Foreign Relations Department also takes part in the processes of assimilation and communication of the core values of Corporate Social Responsibility - ethics and environment. Each quarter the department distributes to all the employees a learning and enrichment value related to the Company's activity in the context of safeguarding the values of the environment and nature and also in the context of the organizational ethics

practiced within the organization among the employees and between the employees and suppliers and other stakeholders.

In 2019, the Netivei Israel employees took part in the activities of several main associations, including: the Israeli Association of Construction & Infrastructure Engineers, Nevo Law Repository, MAALA, the Israeli Green Building Council, companies in professional forums (People & Computers) - CIO, business intelligence and IT, information security, knowledge management, Zionism 2000, membership in the International Tunneling Association - ITA, the Israeli ITS Association, and the Forum of European National Highway Research Laboratories - FEHRL.

This past year, the department conducted many surveys intended to strengthen both the corporate culture at Netivei Israel and the Company's contacts with its stakeholders. Among other things, the following surveys were conducted:

- Road users survey - to examine the relationship between the Company and the drivers.
- Local authorities' satisfaction from their contacts with the Company.
- Supplier survey to examine the information they are missing and which they would like to receive from the Company, and also a separate survey among the suppliers to examine their perception of the level of ethics in Netivei Israel.

Among the employees, surveys were conducted to gauge their satisfaction from the service at the Company's various service centers. An ethical climate survey was conducted to examine the employees' perception of the ethics level at the Company, and also numerous feedbacks were conducted regarding various activities which are taking place in the Company for the benefit of the employees.

Dissemination of the knowledge and the learning processes are also achieved digitally through courseware, which were provided to all of the organization's employees during the past year. These include: factory safety, prevention of sexual harassment, and the risk management in the Company.

International collaborations and initiatives: Netivei Israel, through its Knowledge Management and Foreign Relations Department, is a partner in several international projects involving cooperation and exchanging knowledge and information. The collaborations, within which the Company's activity is the most intensive, are: FEHRL, COST and Horizon 2020, which are financed by the European Union.

These organizations are home to knowledge exchanges and learning initiatives in many fields, through several programs:

Resist - a project combining the efforts of researchers from the academic world, from industry and from transport authorities to define and develop a technological platform, which will provide a quick, optimal solution to emergencies. As part of the project, the outputs of other projects will be assimilated, including AEROBI.

INFRA4DFUTURE - development of an integrative strategy for modernization - renewal and upgrading of transport infrastructures which will address the requirements of the road user in the 21st century from the aspects of sustainability and service level.

TAIEX (Technical Assistance and Informational Exchange) - another platform for knowledge sharing is through a program, which includes workshops with specialist Subject Matter Experts. Various countries from the European Union take part in this program, in order to make it easier to share information among the countries and to create greater added value in adjusting the work methods and learning from each other in the EU countries. On 1-2 April 2019, a workshop took place on efficient energy use with representatives and experts attending – representatives of stakeholder organizations

– the Ministry of Transport and Road Safety, the Ministry of Environmental Protection and the Ministry of Energy, the Israel Nature and Parks Authority, electricity companies and other representatives.

It must be noted that besides these programs, the Company holds other knowledge sharing meetings with transport infrastructure bodies worldwide, and each year several seminars are conducted in the Company for delegations from transport ministries of developing countries in which they learn about the transport system in Israel.

In December 2019, the department succeeded in convening two communities which influence the future in the country - researchers from academia and industry with communities of environmental experts - for a meeting entitled ISRAEL FIRM EVENT with participation from the Secretary General of the FEHRL organization. The meeting discussed issues of the future Transport infrastructure and opportunities for joint research as part of the European H2020 call for action. In February 2019, the Company's senior representatives presented the achievements in their outstanding construction of road and railway projects in meetings with delegations from Austria, headed by the Austrian President and a sustainable development concept in transport infrastructures in a meeting with an Italian delegation.

In order to make the knowledge and information accessible, the Department uses a variety of tools, where the most outstanding are the organizational portal and a special platform for centralized management of various knowledge centers in the Company - for the Company employees, and the Company's Internet website - for suppliers, the road users, and other stakeholders.



Management of Infrastructure Projects

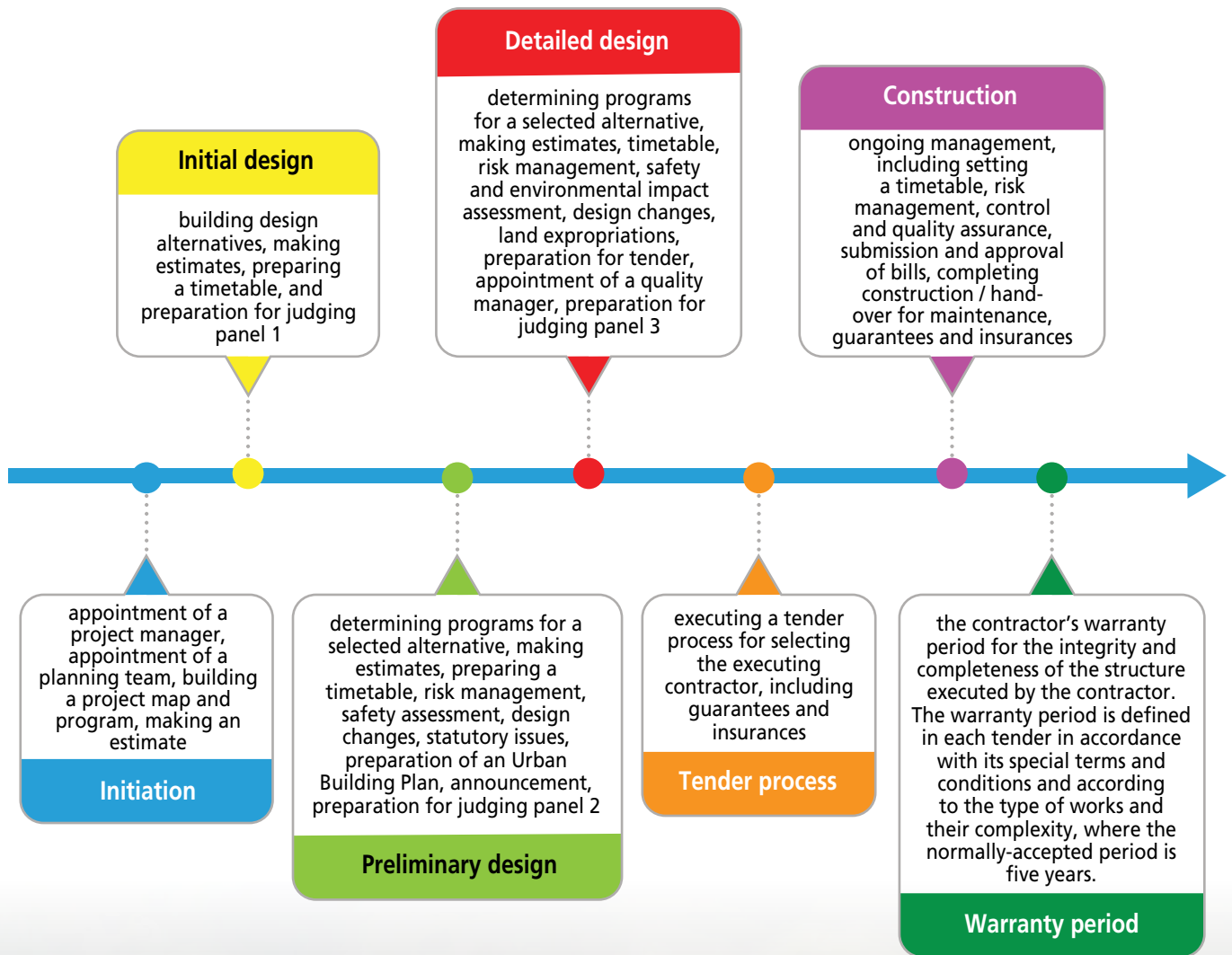
The project management method, which is at the core of the Engineering and Development Division's work, was developed wholly in Netivei Israel, relying on the most advanced models of their kind in the world.

The Netivei Israel work is divided into a broad range of projects dealing with advanced transport infrastructures - interchanges, highways, railway infrastructures, and construction of a complementary airport to Ben-Gurion Airport. These all enable Netivei Israel to acquire a great deal of knowledge on projects which improve the quality of life of the citizenry at all times, they affect the economy in society and in the environment throughout the country

For each project, a project manager has been appointed through outsourcing from a management company, which is supporting the project through all of its stages, from the initiation through to the warranty period. The Projects Department Manager from the Development and Engineering Division supports the project and among his roles is to ensure that the project accomplishes indices of time, quality and cost, to assist the project manager in his dealings with the various other units in the Company, to raise and alert of obstructions and risks in executing the project and to ensure that these are handled to the best possible outcome while remaining compliant with the project goals.

A fundamental prerequisite for accomplishing the targets the Company has set itself is to ensure an efficient, orderly and professional planning process, to be carried out by planning firms, also outsourced, which are supported and controlled by Netivei Israel's professionals, who approve each stage in the project. An efficient, orderly planning process from the preliminary planning stage, with no overruns, will enable timely release of the projects for construction in accordance with the work plan, This will also make it easier, in the construction stage of the project, to manage and execute, without budgetary overruns and timetable delays. The long periods of time are required to complete the planning stages and to form the follow-on plans of the multi-year plan being advanced today, detailed and free of deviations, are necessary to enable the authorities in the Ministry of Transport and the Ministry of Finance to make the best possible decisions for development of the road and railway infrastructures for the entire State of Israel.





Test Case - Building Information Model (BIM)

The Building Information Model is defined as a three-dimensional planning process comprising production, storage, management, replacement and sharing of information on building. BIM is a planning methodology, it implements development and use of a computerized model in order to perform advanced, effective planning, to plan project timetables, to perform engineering simulations and to operate the project.

In other words, a process which is managed throughout the entire asset life cycle. BIM provides a digital representation of the physical and functional elements of an asset which is used for the planning process and for decision-making. The common denominator to all this is that the concept of working with BIM is based on 4 components: information sharing (collaboration), representation of the information, processes and life cycle, all of which combine one with the other to create a modern, effective project environment

The Company management is interested in examining the feasibility of adopting a BIM methodology as part of engineering projects being carried out by the Company. For this, a steering committee has been set up by the VP Engineering and Development, together with the Engineering Sub-Division Manager and the Manager of the Engineering Planning Sub-Division in the Railways Division. Additionally, a BIM realization project has been defined, under the management of the IT department (GIS Department Manager). According to the common BIM standards, the Company is defined as being BIM Level 1. This technology entails many difficulties which the use of BIM 2 tries to resolve. The Company's vision is to create economic and quality efficiencies in planning, construction and maintenance projects through transition to a digital process. The goal is that by 2026, most of the projects of the road development and/or railway development type will be managed in accordance with the Netivei Israel BIM Requirements document (BIM Level 2).

The benefits of working with BIM are:

Maintaining the inner integrity of the design: computerised object-oriented 3D design with built-in interdependencies provides a framework for retaining the inner integrity of the design through built-in system engines, reducing the dependency on the designer and substantially reducing human error.

Sustainability: as part of the use of BIM tools, it is possible to carry out environmental calculations such as energy efficiency and efficiency of air dispersion in the asset's air conditioning systems, in case of a structure. Field of view testing and visibility testing in case of a road and railway infrastructure. All this is an outcome of the use of 3D tools and completion of environmental-spatial information, and use of information on the material type of the objects from the Company catalog.

Redesign coordination: in BIM, the design and planning of all the professions is integrated into a model. The result is a capability in which all of the professionals

in the project will easily be able to coordinate their professional plan. One of the derivatives of this capability is the ability to easily make design and planning changes. Since all of the objects in the model are related to each other, a change in a component enables the rest of the components to be updated almost completely automatically.

Clash detection: identification of a situation in which a project component, especially in the underground medium, or within walls, is planned at the same location and height as another component. Using a BIM tool, this can be avoided as follows: since all of the objects are entities in the database and contain X/Y location data and height, it is relatively easy to perform a clash detection function.

Understanding: the result of the 3D model, which is a key part of the work in BIM. This is part of the key objectives of the BIM systems - to enable decision-makers who have difficulties understanding the technical aspects of the engineering design to understand it. The 3D representation, with its engineering accuracy, enables all players in a project, from the engineers to the decision-makers, to understand the design and to check its fit for the functions for which it has been ordered.

Information sharing (collaboration): the ability to share information between the construction project team is at the core of the cloud-based solutions of BIM products. This ability improves other values as well, for example coordination when the various players communicate among themselves over the Internet and they are exposed at any given moment to the most current information.

Construction Planning: the value of planning the times is based on the ability to create a model of the operative actions and to run various scenarios for timetables prior to putting resources to work in the field. Through the BIM's time management (4D) functionality, which enables linking every object in the 3D model to the project's time planning (GANTT). The BIM time planning tool enables the project manager to perform a visual simulation of the project's time planning and to ensure optimal utilization, in terms of time management, of all of the resources at the work site.

Timetable management is also of value in terms of saving money in two ways: the operative side of managing timetables affects cost savings insofar as project managers can order what they need exactly on time without having to keep inventory. Thus the length of time manpower is occupied on a project is shortened

and the lease time on safety accessories and other means in the project, which are time-dependent overheads, can be shortened. The macroeconomic side for managing and shortening timetables is of value at the economic level, where the asset is put to use on time and for the duration as planned. This affects lost time for the economy and the cost of probability of potential traffic accidents.

Risk reduction: the use of BIM yields risk reduction as follows: the work process and the environment are synchronized. This mitigates the risks in the planning and construction stages, use of life cycle models of the asset. As a consequence, better safety means are designed and the quality of the communication between the project members is improved, resulting in mitigation of the risks of misunderstanding of the project components.

Cost savings: use of BIM yields cost savings varying between 8% and 10% of the project cost. The cost saving can be seen in several ways throughout the project lifecycle: in the initiation stage - use of parameters-based planning tools enables building a preliminary estimate through a financial investment of work hours. In the detailed planning stage - at this stage the cost saving is the result of shortening the duration

of the project's detailed planning. Also, at this stage, it becomes possible to produce a detailed, analytical cost estimate. In other words, an estimate in which every object in the plan is linked to an object in the approved catalog library and is calculated automatically without human intervention, thereby preventing mistakes. The tender stage - by publishing a BIM model including 3D, 4D, and 5D components to all the participants in the tender, the expectations are set between the contractor and the customer, thereby reducing the costing of the risk component. Construction stage - By managing construction through a 4D BIM, it becomes possible to manage clear work packages and to order materials, manpower and equipment only when these are required. In addition, rational use of the 5D component will lower the number of change orders in the project.

Off-site manufacturing: meticulous time management enables the project manager to order equipment, manpower and materials exactly when these are needed without having to build unnecessary inventories or investing in superfluous time costs. Through the 3D model it becomes possible to transfer many production units to automated factories, leaving only the assembly of the finished element to be done on site.





Our Commitment to The Road Users

Netivei Israel's main mission is to work for the road users through the realization that the projects carried out under the Company's responsibility save lives. For this, Netivei Israel invests considerable resources in advanced technology, innovative thinking, and stimulation of a conversation through a range of communication channels including traditional communication, social networks and direct dialog assisted by government ministries and other players.

Netivei Israel's primary commitment is to the road users. This is evident through a wide range of aspects - an efficient, safe road network, sensitivity and understanding of the road users' needs through the transparent provision of information, reliability, availability and courtesy, all done through a respectful dialog.

The service network at Netivei Israel is centered around interaction with the road users. This network provides responses to the public's inquiries in writing, through phone responses to the road users, through ongoing information on the state of traffic - using voice responses and the Internet website, information on location of works and so forth. The continuous communication with the road users serves as a platform for realizing the concept that the service network's mission is to make the public's voice be heard within Netivei Israel, to put the issues which arise on the Company's agenda and to advance the handling of these issues. The service concept encompasses all of the services provided by the Customer Service Center including traffic management and dealing with hazards along roads maintained by Netivei Israel. Every action the Customer Service Center performs is intended to serve the driver public and to have the greatest impact possible in order to ensure that the roads are fit and safe for driving and to ensure that the traffic advances on the roads as smoothly as possible.

Service vehicles

Netivei Israel is the largest government company in Israel for transport infrastructures. The Company invests management resources in multidisciplinary work on road accidents. In this context, the Company operates service vehicles, which work to improve the safety of the people on the roads and to help in better, more efficient management of traffic all over the country.

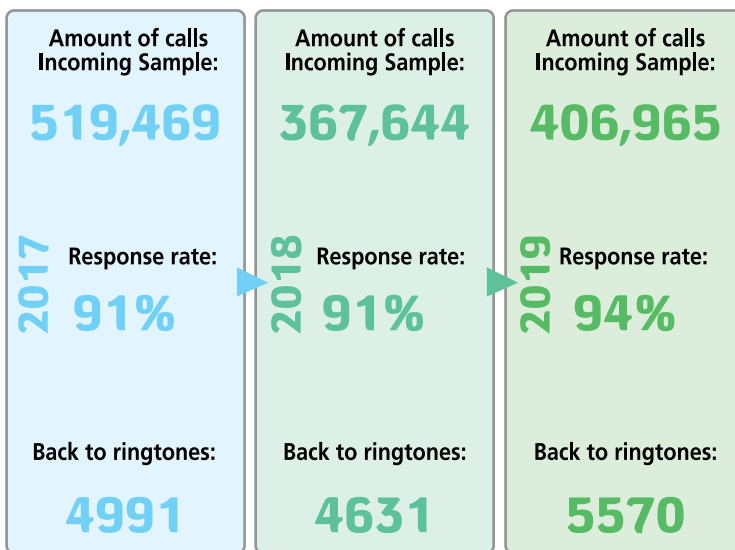
These vehicles have been in service since 2015. They have been equipped with modern state-of-the-art equipment, enabling them to provide roadside responses to breakdowns in the various vehicles traveling on the roads which are under the responsibility of Israel Roads. Vehicles in distress, in need of roadside assistance, receive it from the service vehicles in an effort to mitigate the roadside hazards as much as possible, thereby substantially improving the overall safety of all of the road users. The vehicles assist with changing tires, inflating tires, light mechanical defects, assisting and summoning tow trucks when necessary. The Company conducts a survey every year to improve its service. In 2019, the Maintenance Division set itself a target to shorten the lead time on arrival of service vehicles at the places they are needed. For this, vehicles were added and expectations were set for the arrival lead times.

Customer Service

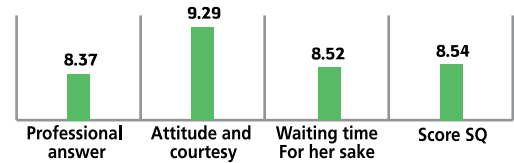
Service provides us with a way of gauging what the public's opinion is of the roads we maintain. Every phone call or letter helps build a picture of where the roads are which are in need of our attention, what issues occupy the public at the moment, how rehabilitation works and new road construction influences the daily lives of Israel's populace. We are able, through the eyes of the road users, to learn and sometimes even to influence the prioritization of the Company's tasks in favor of the more important issues.

The service network seeks to innovate and remain current, to consistently provide better, more readily-accessible, precision service to the public. The self-service channel was upgraded in 2019 - a channel which enables the road users to obtain traffic reports without

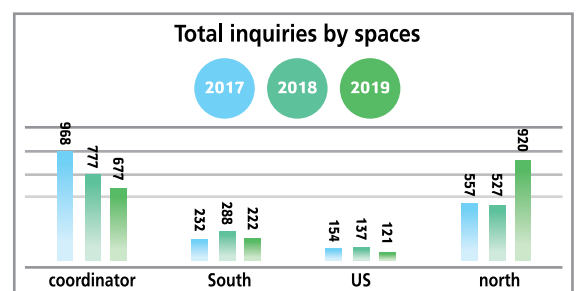
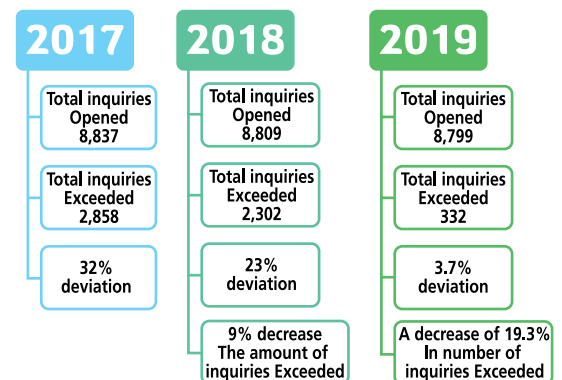
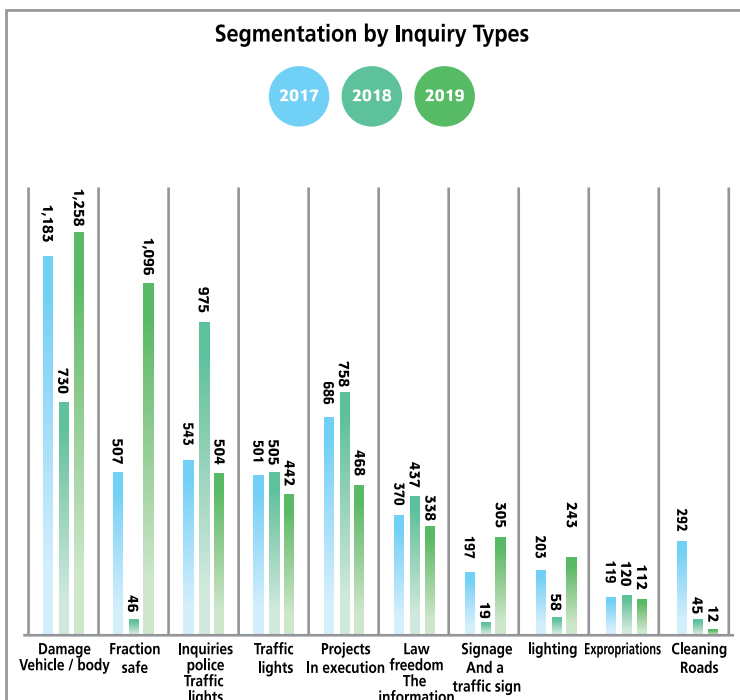
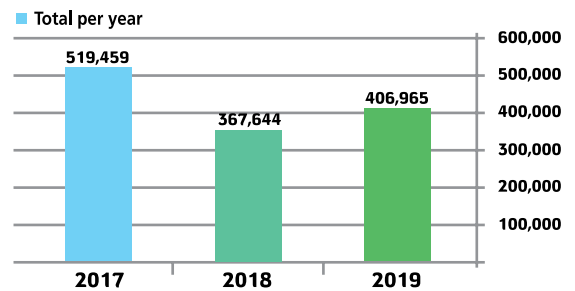
having to wait for a service representative. The reports get updated frequently and automatically. Proof of its effectiveness is the fact that approximately 200,000 road users go to this channel.



Service survey data
As of 07/2019



All incoming calls in annual segmentation



Traffic Management

Netivei Israel manages the traffic in the interurban space under its responsibility. One of the means at its disposal for managing traffic is the traffic light network. The role of the traffic light as a traffic management tool is to bring to bear the policy of preferences between the different means of transportation and between the different traffic directions. The traffic light's design logic is the tool through which the prioritization regime, which is derived from the policy, is implemented. The broad range of situations which may arise at the traffic signal intersection is the reason for the complexity of the design process. Due to this complexity, the design process cannot be done as an optimal mathematical process. Rather, there is a need to achieve a combination of quantitative models and engineering considerations. The design process has to be done out of a view of the entire life cycle of the traffic light program. The life cycle consists of three steps. The first step is the initial design of the intersection, which is done by the planner and has to be an expression of the predetermined design policy. The second step is inspection of the design by the authorities which are

charged with ensuring that the design policy has been implemented properly. The third step is the continual process of updating the traffic light programs to ensure adaptation of the program's characteristics to the dynamism of the changing demand patterns - changes which occur several times per day. In order for all this to facilitate efficient traffic management, the Company invests in traffic light programs all over the country.

Inclusion of the camera network with the traffic light control system enables real-time responses to traffic events. The traffic light control system provides the Company with remote control and monitoring to a degree which has never been possible in the past. The camera management system enables recording and retrieval of information for investigation and debriefing of events and for drawing conclusions. The control cameras are an efficient, reliable means for quickly identifying traffic situations, hazards and accidents. The system improves the ability to reduce traffic loads and to deliver considerable savings to the economy.

Managing with responsibility



Road User Safety

The safety components are required to produce a forgiving infrastructure and to prevent road accidents. They are a key part of all of the projects in the Company's multi-year work plan and are enforced through the Safety Sub-Division which is charged with managing the safety systems at the Company's work sites and the safety of the road users.

The Safety Sub-Division supervises, audits and enforces the issue of safety at the work sites through regional safety officers, external safety controllers and traffic supervisors. Immediately after receiving a go-to-work order in any project, the regional safety officers hold a safety briefing, together with the project manager, for the contractors and the other roles participating in the project. The safety controls are carried out in accordance with a fixed, documented methodology via an application which has been developed exclusively for this purpose. As part of the paving and maintenance projects, Netivei Israel engages external suppliers from various fields to do the works and projects which expose the personnel doing the work, and others, to many risks.

Occupational accident investigations: All the safety incidents, including occupational accidents, are investigated and distributed to the relevant personnel after the investigation is completed and the conclusions are drawn. Furthermore, all of the fatal traffic accidents which occur on the road network under Netivei Israel's responsibility are investigated to fix infrastructure defects. When notice is received of an occupational accident at a work site, the work is immediately halted and an initial investigation is done by the contractor's safety officer to learn the circumstances which led to the incident. The findings from the initial investigation are forwarded in writing to the Safety Sub-Division Manager and to the Regional Safety Officer. The Safety Officer is required to initiate an investigation, to be led by the Officer himself or by the Safety Sub-Division Manager. The investigation begins as soon

as possible after the accident itself and no later than 48 hours from that time. The report findings depend on the severity of the accident and on other players involved in the investigation such as the Israel Police and the Ministry of Labor, who in cases of fatalities or severe injuries take ownership of the investigation.

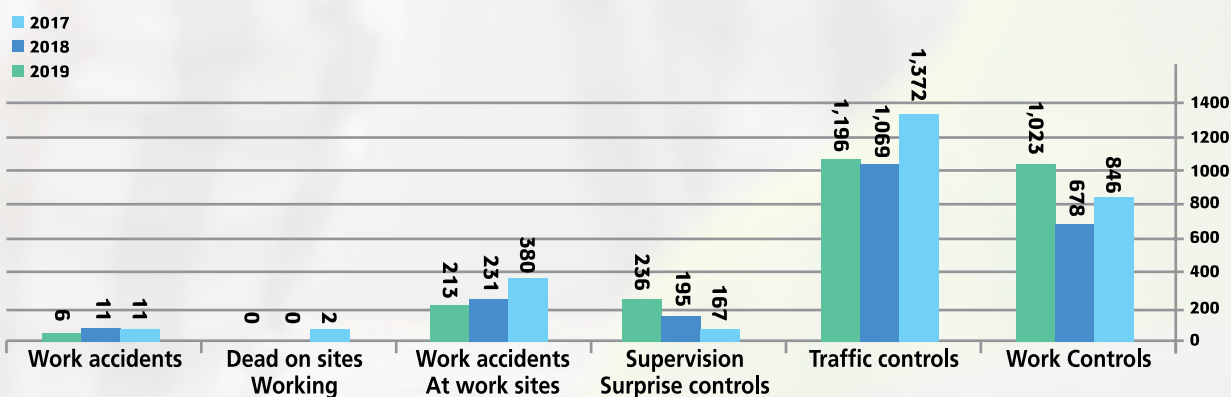
Inspections at work sites: As part of the safety concept, the Sub-Division's personnel carry out (surprise) safety inspections as an extra circle of control to examine both the quality of the safety in the projects and the level of professionalism of the external safety inspectors. In accordance with the work format devised in 2017, the Regional Safety Officer is required to perform five surprise inspections (General Supervision) each month at the work sites under his responsibility. These inspections are done primarily at projects where severe life-threatening safety defects have been discovered, in order to monitor the correction of those defects. The duration of the inspection depends on the size of the project and on the safety components at the site. It can last between two and four hours excluding travel time. The Safety Officer is required to distribute his inspection report within 24 hours of its completion. It must be emphasized that such a report is distributed while providing details of the safety defects found at the site along with photographs of all the defects. Once the inspection has been completed, the Supervisor tracks the fixing of the safety defects found.

Following is a multi-year distribution of the Safety Sub-Division's work

The Company's safety policy is to operate according to the following guiding principles:

- There is a concerted effort at Netivei Israel to fight traffic accidents. As part of this effort, which includes increasing road safety and dealing with danger spots, all of the fatal traffic accidents which occur on the road network under Netivei Israel's responsibility are investigated to identify infrastructure deficiencies and fix them as part of special projects and small-scale projects.
- Allocation of resources to increase occupational safety and health (factory safety).
- Exercising an approach of minimizing safety hazards through organizational development which encourages working toward developing work methods which are integrated into the Company's projects.
- The com works to pre-empt occupational accidents, traffic accidents and harm to the employees' health through methodic identification of risk factors, risk assessments, and risk reduction to an acceptable level.
- The organization will form and train a team, which will hold debriefings to find root causes in case of a safety incident or occupational accident and will take corrective actions to prevent the incident or accident from recurring.

The following is a perennial segmentation of the Safety Division's activities



Preparedness for Stormy Weather

Such sudden weather fluctuations are referred to as “weather whiplash” which, according to most weather scientists, are expected to become more and more frequent due to global warming. The “whiplash” has an impact on the natural ecosystems and also on man.

The droughts and dry climate increase the likelihood of fires - we have already witnessed their intensification this year, while flash floods that wash away topsoil and fail to seep into the ground cause flooding, mudslides, damage to infrastructures and to agricultural crops. Stormy weather is an extreme weather event which can coincide with fog, heavy rain, strong winds, iced or snowed-under roads and floods. All these may severely impact the driving conditions and could endanger the road users.

Each year Netivei Israel's Operations and Maintenance Division prepares for the possibility of stormy weather. They involve all of the relevant entities within the Company and external entities as well in an effort to reduce, to the extent possible, the damage potential, by preparing the drainage systems for the winter ahead of time, informing the road users of the weather events and providing professional solutions during the event. At winter's end, the Maintenance Division carries out a lessons learned process from the past winter's events and begins intensive work on preparing the road infrastructures for the following winter. A plan is prepared to repair the infrastructure, to provide solutions for vulnerabilities which were found during the winter and to prepare the road infrastructure for the next winter by cleaning ditches and culverts.

During the winter, the Company prepares itself by receiving routine forecasts. When a forecast of possible stormy weather is received, a Stormy Weather Declaration document is produced, detailing the Company's readiness to the event in question. The Maintenance Division stations heavy machinery at the vulnerable spots. These machines will be deployed to

deal as quickly as possible with any hazards which may arise as a result of the stormy weather. All this is done in order to enable safe road travel for all users.

Reports of stormy weather which affects the traffic arteries are managed in collaboration with a variety of other organizations such as the Israel Police, local authorities, and the Meteorological Service.

Each year, between October and March, the Company appoints people from each division to remain on watch and a safety and winter preparation gathering is held in collaboration with the Maintenance Division and the Development Division. All of the relevant roles are invited to this gathering.

The main activity in the gathering focuses on:

- Introducing the interfaces with the Company's entities - intra- and extra-organizational
- Introduction of the known vulnerabilities by region and area
- Presentation of a map of problematic areas along the main arteries
- Refer specifically to historic data regarding amounts of snow, tree problems, ditches, floods etc.

Preparations are also made for higher-frequency safety patrols and for dealing with hazards within the shortest possible timeframe (poor visibility and rainy weather). Up-to-date phone numbers of the project manager and the personnel in charge from Supply Chain are provided to the Company call center at *2120.



When Engineering and Accessibility Meet in Infrastructure Projects

Netivei Israel regards accessibility of roads and interchanges to be an integral part of encouraging the use of public transport and of making it accessible to all users. This is done by shortening walking distances and ensuring good connectivity to the land uses near the road. Accessibility of roadside structures intended for pedestrians and for people with disabilities are a guiding policy at Netavei Israel. This is pursued under the Equal Rights Commissioner for People with Disabilities Law, 5758-1998. Accordingly, Netavei Israel has decided that the roadside structures and interchanges will be designed in accordance with criteria and guidelines laid out in the regulations of the Equal Rights Commissioner for People with Disabilities Law, the relevant planning and construction regulations and the Israeli standards. The variety of design considerations and functional requirements derived from the project's environs are also taken into consideration. The length of the walking route is measured between the point of departure and the destination. In the case of Netavei Israel, its main concern is in interurban highways and interchanges which, for the most part, are not within the urban texture and are by nature relatively remote from land uses such as business or residential. So far a binding standard for interurban highways has not been finalized. Netavei Israel therefore decided voluntarily that Israeli Standard 1918 Part 2 and the regulations under the Equal Rights Commissioner for People with Disabilities (accessible routes) 5776-2016, would be applied to the interurban highways, and would serve as a mandatory minimum. In other words:

- According to Israeli Standard 1918 Part 2, an accessible path is 1.30 meters length. Netavei Israel specified that the minimum width for an accessible sidewalk must be 2.0 meters.
- The standard allows ramp gradients of up to 8% and, in extreme cases up to 10% gradients are permissible. Netavei Israel forbids anything greater than 5%, such that the ramps shall not exceed 5%, and the length of the route shall not exceed 450 meters length.

- Where the walking distance exceeds 450 meters length, stairways shall also be included in the structure to shorten the walking distance at the beginning of the ramp rising going up to the bridge (or descending from it), and the stairway structures shall be positioned as close as possible to the bus stop.
- In cases where the walking distances exceed 650 meters length, and where the outlook for public transport users is of approximately 500 people per day or more, electromechanical systems (elevators or escalators) shall be included in the design. The location of the elevator structure and the stairway shall be as close as possible to the bus stop and shall allow access for routine maintenance and also accessibility for emergency and rescue vehicles.
- Pedestrian underpasses will be added, or included in an underpass intended for vehicles
- In overpasses which include pedestrian walkways on vehicle bridges, separate overpasses for pedestrians shall be incorporated with access routes integrated into the development.

If all of the above measures are not possible, then the interchange geometry shall be modified, or the bus stop locations shall be altered and the program for planning the public transport shall be altered. The future challenges for Netavei Israel in terms of accessibility in interurban transport infrastructure development, where it links into the urban medium, are to increase the connectivity between the pedestrians and the public transport, to create a continuous walking route between the interurban medium and the outskirts of the cities, to create a homogeneous, clear signage system, which will also be accessible through the use of a homogeneous graphic language, to find maintenance solutions for operating elevators and escalators in the interface between the interurban and the urban media, to increase the use of apps for mobile devices, such that the road network and its connectivity will be simple and accessible, and to make the traffic light system accessible to the vision-impaired.

High-Occupancy Vehicle lane

The investment in high-occupancy vehicle lane (HOV lane) has proven to be a solution for increasing the number of bus passengers and accordingly, it has reduced the number of private cars, thereby helping reduce congestion and increasing the average speeds on the roads. The effect of high-occupancy vehicle lane will be immediately and unmistakably noticeable.

Add to that the fact that nowadays some of Israel's bus lines are perceived by the public as being "inefficient" with travel speeds which are slower than private vehicles while at the same time certain problems persist and bedevil this field - for example the gaps in various critical infrastructures such as drivers, overnight garages, public parking lots, operational parking lots, HOV lanes and passenger terminals. Under such circumstances the investments in this area, above and beyond increasing the number of buses on the roads, is crucial.

Interurban HOV lanes: there are four main highways in Israel leading into the hearts of the various metropolitan areas: highways 1, 2, 4, and 5. These highways are beset by extreme congestion during the morning and afternoon rush hours, compounded by the absence of HOV lanes along most of them. For example on highway 4, which is a main, critically congested thoroughfare, between the Bar Ilan Interchange and Givat Shmuel Interchange, some 72 buses travel along this section in the morning rush hour, each with an average 40 passengers on board.

In other words, some 2,880 passengers travel along this section by bus every hour, while at the same time there are approximately 6,075 private cars sharing the road. 30% of the passengers take up a mere 3% of the road area. If there would be a HOV lane from Hashiv'ah Interchange to Geha Interchange, this trip would take 20 minutes instead of 40 minutes during rush hour - a 50% saving in travel time. According to Netivei Israel's five-year plan, some of the HOV lanes along highway 4 are scheduled to be put into service toward the end of 2021.

Along highway 5, one of the most congested in the country, the morning rush-hour travel time along the section from Kessem Interchange to Gilot Interchange has increased by 45% in recent years and can reach as much as 50 minutes. If there was a HOV lane along this section, the travel time would be slashed to about 15 minutes, a 70% saving in travel time for public transport users. This of course would stimulate the use of public transport with more and more people opting to forego their private vehicles, thereby reducing the congestion along this road. According to Netivei Israel's five-year plan, some of the HOV lanes along highway 5 are scheduled to be put into service toward the end of 2023.

Highway 2 is living proof of the effectiveness of interurban HOV lanes. Before the HOV lane a few months ago, there was a southbound HOV lane from the Poleg Interchange which enabled fast travel during rush hour. The number of users of public transport increased as a result by about 20% within 9 months of its inauguration. However along the northbound highway a HOV lane has not yet been allocated, meaning that those passengers who seek to return home during the afternoon rush hour are subjected to a great deal of congestion along the way. According to Netivei Israel's five-year plan, construction of a HOV lane along highway 2 is scheduled to begin in early 2022 and to be put into service toward the end of 2023.

Finally, the various data indicate that allocating a HOV lane along highways significantly reduces road travel time for public transport users. Therefore this allocation increases the number of public transport passengers and accordingly it reduces the number of private vehicles on the road. In such a situation, the congestion on the road is relieved and the travel speed increases.





Bicycle Paths

Bicycle riding as an alternative for daily travel has numerous benefits to it - in environmental, social, economic and transport terms. Bicycles are economical, efficient means of transport. Increased use of this means of transport can reduce dependency on fuel, reduce air pollution and reduce traffic congestion. The use of bicycles for daily commutes has been gathering momentum in recent years mainly in developed countries, however in developing countries this means of transport is more widely used due to its low cost. The modal split in various cities worldwide is indicative of a change, which has been taking place in recent years in the developed countries, in the tendency to use bicycles as a transport alternative for daily travel. Leading the way among developed countries in the percentage of bicycle usage for mobility are Germany, The Netherlands, Denmark, and Switzerland.

The use of bicycles has socio-environmental benefits: top among them is the reduction of environmental impacts of the transport systems as opposed to motorized vehicles. Bicycles are a zero-emissions means of transport, such that sustainable, accessible transport will contribute toward condensing the urban space, rather than decentralization while the bicycle as a means of transport has a smaller footprint than a motorized vehicle, meaning that the transport capacity increases, so bicycle lanes are a passive investment not requiring costly routine operation and maintenance, and the use of bicycle lanes for daily commutes saves their users the time which would otherwise be wasted standing in traffic jams. Besides, interurban bicycle lanes will connect residential areas to traffic magnets such as transport hubs, business centers and educational institutions.

Netivei Israel works according to a bicycle lane master plan for commuting along interurban highways, which has been approved by the Ministry of Transport. This master plan is intended to form the planning basis for a nationwide transport infrastructure which will serve bicycle riders and slow electrical vehicles for interurban commutes. Criteria were also laid down within the work process for planning bicycle lanes and for prioritizing the implementation of the lane network. As part of the creation of the network of proposed interurban bicycle lanes, a study and review was conducted on the planning background for the interurban bicycle lanes infrastructure and on promoting bicycle commute rides.

93

Projects that include bike trails

19

Railway
Infrastructure
Division

26

Statutory
department

20

Projects
department
South

14

Projects
department
Center

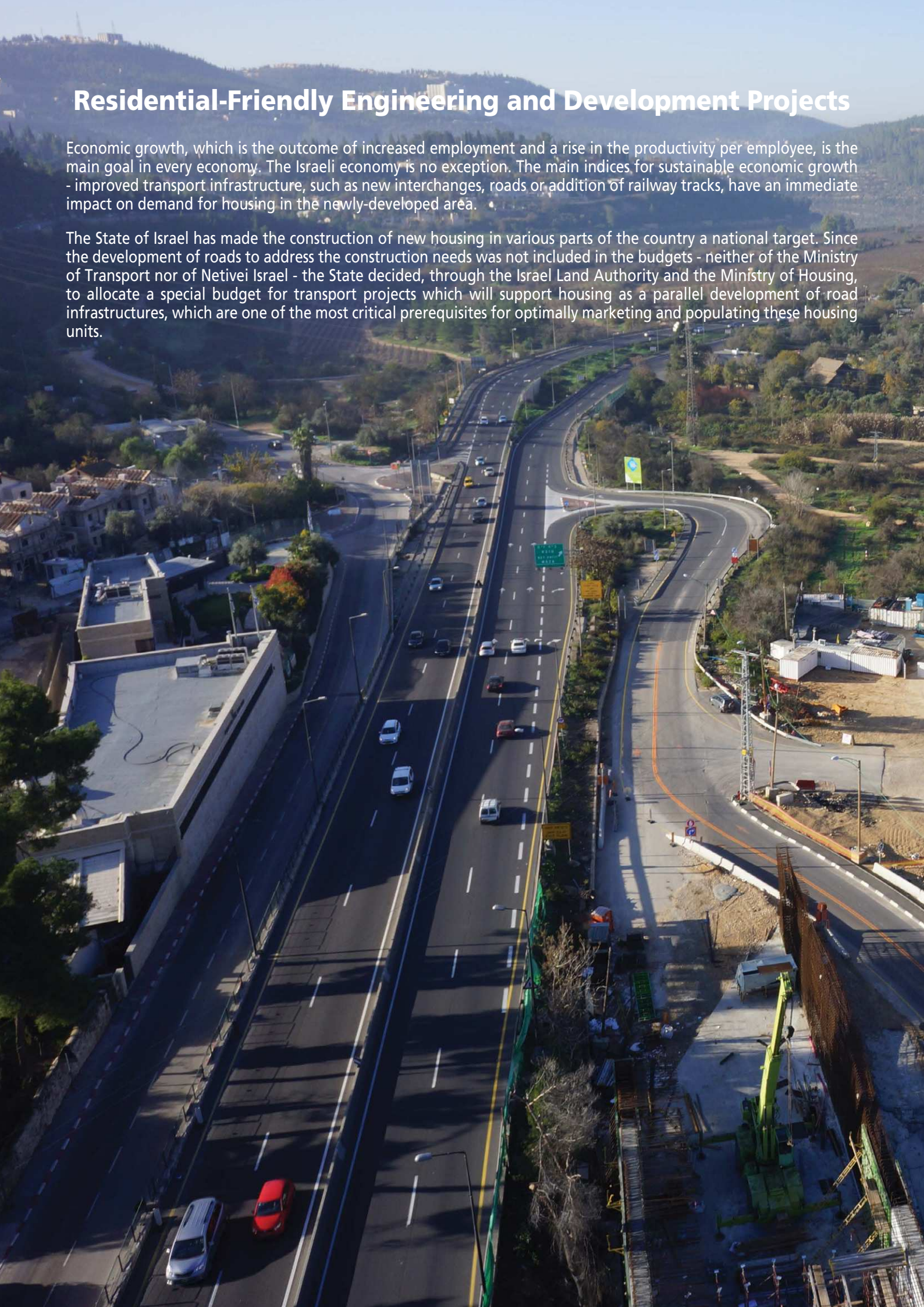
14

Projects
department
North

Residential-Friendly Engineering and Development Projects

Economic growth, which is the outcome of increased employment and a rise in the productivity per employee, is the main goal in every economy. The Israeli economy is no exception. The main indices for sustainable economic growth - improved transport infrastructure, such as new interchanges, roads or addition of railway tracks, have an immediate impact on demand for housing in the newly-developed area.

The State of Israel has made the construction of new housing in various parts of the country a national target. Since the development of roads to address the construction needs was not included in the budgets - neither of the Ministry of Transport nor of Netivei Israel - the State decided, through the Israel Land Authority and the Ministry of Housing, to allocate a special budget for transport projects which will support housing as a parallel development of road infrastructures, which are one of the most critical prerequisites for optimally marketing and populating these housing units.





Airport Administration

In 2014, the government decided to construct a new international airport, to complement Natbag, through a private concessionaire. This decision was based on an analysis of Natbag's future capacity, which will be reaching its ceiling already in 2025. Another factor was the fact that the airspace and the environmental nuisance imposed by Natbag will also be reaching saturation within a few years. The new airport is supposed to serve approximately 4 million passengers a year in its first stage, and to gradually scale up to approximately 20 million passengers in 2045. The project will be executed through BOT (Build, Operate, Transfer - by a private concessionaire) in order to facilitate competition in the airport services sector in Israel.

In 2017, the government appointed Netivei Israel as the entity in charge of leading the project from the following aspects: statutory approvals, specification of an optimal operation model, planning the airport and managing the construction. Following this appointment, a special administration was set up for the project. The new airport is supposed to be a dual-use airport, combining civil aviation activity with military aviation. For this reason, the appropriate coordination and planning is required with the Israel security forces in terms of ground-based infrastructures, parts of which are intended to be shared, airspace control mechanisms and aspects of shared operation and security within the dual-use airport. This is a major management, engineering, economic, and infrastructure challenge.

Following are the main issues on which progress has been made in 2019:

- Tender for selecting international consultants
- Progress on two independent statutory plans for the two sites
- Deepening and improving knowledge and information in the fields in which the administration will be involved

The main challenges for 2020 are:

- Selecting a winner in the tender for the international team and start of work on a concession DBOT tender
- Approval of chapters A and B of the environmental impact assessment at the National Council and selection of the preferred alternative
- Advancement of issues with the Ministry of Defense - settling the exposure to claims, agreement on the costs of migration and a memorandum of understanding regarding the coexistence within a dual-use airport

- Preparation of a plan for complementary transport projects for the complementary airport at both locations
- Decision by the authorized entities on realization of the first alternative airport







Our Commitment to The Environment

Landscape rehabilitation and safeguarding the biological diversity

The development of a road network is intended to address human needs, however at the same time it is supposed to safeguard the needs of the environment it inhabits and its resources for future generations. Therefore, environmental considerations have got to be an integral part of the planning of urban systems and open spaces. Netivei Israel is a national company.

In its activity it has an impact on many open spaces and sensitive areas and is therefore committed to continually weigh its impacts on the economy, society and the environment in the State of Israel.

It follows from this, that environmental planning of the transport systems in Israel is done in accordance with, and at times even exceeding, the Company's mandatory planning guidelines, as well as those of the Ministry of Environmental Protection and of the planning institutions such as the National Infrastructures Committee

Netivei Israel maintains a constant dialog, seeking cooperation with the authorities charged with safeguarding Israel's natural spaces. These include the Israel Nature and Parks Authority, environmental organizations, NGOs and many other entities. All this is done out of a sense of national responsibility and with a desire to plan efficiently while minimizing the impact on the environment within which we operate. Environmental impact assessments are prepared, incorporating professional and objective tools. These are intended to provide the authorities, the planning institutions and Netivei Israel, with the maximum amount of information necessary for forming an informed, well-founded opinion on the impacts of the planned engineering development on the exploitation of the natural resources such as land, clean air, water, the intensity of exposure of the local inhabitants to

hazards (such as air pollution and noise) and whether they are reasonable compared with the economic and social benefits of each project.

The Organization and Methods Sub-Division, which is charged with the quality standards in the Company, is responsible for Netivei Israel's certification for Standard ISO 14001 - Environmental Management System: a standard which specifies the requirements for an environmental management system which the Company can use to improve its environmental performance. Adoption of the standard enables methodical management of the Company's environmental responsibilities and it also enables accomplishment of the results expected from its environmental management system.

The precautionary principle - has been anchored in Israeli law in broad-scoped environmental legislation. Netivei Israel works to implement this principle and allocates financial and administrative resources for minimizing its environmental impacts. The Company engages the services of dozens of landscape planning offices and architects, which are incorporated into the planning already in its initial stages. They play a dominant role in the proceedings, which involves meticulous and highly-controlled planning of the earthworks and the paving. Besides this, the Company operates in compliance with the law: It operates air quality and noise monitoring stations.

The Company has set itself a goal as its policy to operate in accordance with the following environmental guiding principles:

- Commitment to safeguarding landscape and environmental assets, including protecting biodiversity.
- Exercising an approach of minimizing environmental pollution risk factors through organizational development and fostering an organizational climate which encourages working in favor of the environment and developing work methods which are integrated into the Company's projects.
- Allocation of resources for the prevention of environmental pollution and the squandering of natural resources, for minimizing environmental hazards and efficient energy use.
- Striving to maintain a broad, sustainable environmental record, combining environmental, economic and social thinking, in the Company's decision-making considerations, in favor of assuring the quality of the environment today and for future generations

Covenant Between the Israel Nature and Parks Authority and Netivei Israel

More and more organizations are aware of the power of collaboration. These two organizations share a long-standing tradition of working together. This tradition is based on shared principles of supporting development and technological progress in the modern world while at the same time realizing the overriding importance of safeguarding human lives, road safety and the importance of preserving the environment in our country. Both organizations are committed to safeguarding nature and the landscape while keeping in mind the interest each one of the organizations has in recognizing and respecting the professional principles under which the other organization operates. Out of a sense of national responsibility, Netivei Israel and the Israel Nature and Parks Authority both chose to sign a joint covenant in 2019, intended to deepen and consolidate their cooperation in the fields relevant to both parties. this was done in order to form a fair and just basis for working together in the interests of promoting balance between the interests of each party and for the greater benefit of the general public. The parties will cooperate in evaluating and coordinating localized solutions in locations of exceptionally high ecological sensitivity in order to deliver an efficient, effective solution for these

issues while avoiding situations in which one party holds up the work of the other party. Each party is committed to submitting their response to queries from the other party within two weeks from the date the query was made.



Environmentally Friendly Lighting Along Netivei Israel's Highways

Management of the interface between the business activity and the ecosystems is regarded as an integral part of sustainability management and Corporate Social Responsibility in organizations. Against this backdrop, the need to develop specialized, practical tools is all the more evident when it comes to integrating ecological considerations within Netivei Israel's work as part of its sustainability management.

Highway lighting is an important component of the development of road infrastructure. The underlying considerations are the safety and security of the road users. At the same time, indiscriminate use of road lighting causes light leaks into areas where the lighting is not needed for safety, security or operational purposes - for example, the night sky and open spaces

This light leak is referred to as "light pollution", which is caused by lighting in a place, at a time, in a spectrum and at an intensity which is not needed. Light pollution alters the natural lighting regimes which have prevailed for millions of years. The consequence is disruption of the ecosystem's functioning, harm to wildlife, damage to the night sky experience, and there are even health implications for humans. Due to Netivei Israel's major influence over open spaces and sensitive areas in Israel, the Company works to reduce light pollution and to preserve natural darkness while prioritizing security considerations and the safety requirements of the road users.

In 2017 Netivei Israel submitted its candidacy and won the "Call for innovation in incorporating biodiversity considerations in corporations", issued by the Ministry of Environmental Protection and the Society for the Protection of Nature in Israel. In the past two years, guidelines have been defined for environmentally friendly lighting design. These guidelines place the

emphasis on smart, environmentally-friendly lighting, where the light is confined only to the spaces in need of lighting while using the minimum required light intensity according to the Ministry of Transport's instructions. This design is intended to prevent unnecessary lighting - when and where it is not required. The guidelines address the following issues: prevention of the light leaking to the open space behind the luminaire (backlight), light intensity, light color (white light is "cold lighting". It has a greater negative ecological impact than yellowish, "warm" light), location of lighting poles and inclusion of complicated topographic considerations when planning the lighting. The project is a joint effort of the Maintenance & Operations Division and the Engineering & Development Division. It is supported by the Ministry of Environmental Protection and the Israel Nature and Parks Authority. It has been approved by the Ministry of Transport.

As part of the work, a GIS interface was built, which maps the ecologically-sensitive areas in terms of light pollution. The map is divided into two categories: high ecological sensitivity and extreme ecological sensitivity. Suitable guidelines have been specified to reduce light pollution for each sensitivity level taking into consideration economic, operational and environmental considerations.

Currently, Netivei Israel is in the midst of a process of assimilating the project's recommendations, which includes: incorporation of the guidelines for environmentally friendly lighting in the Operation & Maintenance Division's lighting tender documents, updating specific amendments to the existing task descriptors for the ecologist and for the electricity and lighting consultant and in the "Ecologist's Guide" document. Additionally, within the "Guidelines for highway Lighting" document, inclusion of a referral to the technical specifications in the summary document entitled "Environmentally friendly lighting at Netivei Israel". Furthermore, a process will be encouraged of including luminaires which include the following, in the Netivei Israel Approved Luminaires Database: luminaires with a reduced backlighting range and with a warm light shade (K2700, K2200 and PC AMBER) and LED luminaires for High Mast poles. As part of the process of evaluating the project recommendations, a pilot will be conducted to replace existing High pressure sodium (HPS) lighting with environmentally friendly LED lighting, which will be compatible with the guidelines in the summary document. The pilot will be conducted at the entry junction to Samar, which is located along Highway 90 adjacent to a nature reserve, which is an area of high ecological sensitivity.

This past year training on this matter has been included in the project manager and lighting and electricity planners' courses provided at the Netivim College, as well as in the training course for contractors' Environment Officers. In addition, in the coming year a comprehensive, professional seminar will be held, to be attended by all of the relevant target audiences. Netivei Israel regards the continuation of cooperation with the green organizations to be of great importance. Therefore twice a year a monitoring and control committee convenes to discuss application of the recommendations to the Company's work.

Further integration of the project recommendations will position Netivei Israel as a leading innovative company in this field. It will demonstrate its commitment to accomplishing five of the United Nations' Sustainable Development Goals (SDG), which include: Promotion of sustainable infrastructures, which reduce greenhouse gas emissions, mitigation of climate change through reducing greenhouse gas emissions, adoption of sustainable practices by large corporations and safeguarding marine and land biodiversity. The project will lead to efficient energy use and reduction of the Company's carbon footprint while at the same time safeguarding land-based biodiversity.



Test Cases - Recycling Materials in Projects

Upgrade of the intersection of roads 652-65 by building a double-roundabout interchange and cancellation of an existing traffic light, widening the road to dual-lane, dual-carriageway, arranging drainage, lighting and landscaping. The project cost estimate is NIS 170 million. The project provides access to a new neighborhood, approximately 1500 units on the southern outskirts of Pardes Hanna. Recycled materials are being used in the project, having been brought from another project managed by Netivei Israel: as part of the Magdiel 531 project, concrete foundations of an acoustic wall have been demolished in order to widen the road. The material from the demolition was transported to the Hanna project to a special area and after a long round of approvals at the Committee for National Infrastructure,

permission was given to crush the material. 8500 cubic meters of material were crushed and used at the site as filler material for the lower layers of the road structure.



Highway 4 – Ashdod North Interchange

Upgrading Highway 4 as a three-lane dual-carriageway highway along the section toward the Ashdod North Interchange including preparations for widening Highway 4 below the bridge to include 4 lanes in each direction - approximately 2.5 km. Building an interchange between Highway 4 and road 4102 for an entrance to the Ashdod Industrial park en route to the Port of Ashdod and to Yavne's southern neighborhoods. Building a bridge above the Pleshet Railway to connect Yavne to Highway 4. This project is making extensive use of recycled materials as the sub-base for paving works in various areas. So far some 40,000 cubic meters of recycled material have been used (crushed building waste material) from a recycling factory in the Ashdod northern industrial park. The bulk of the material has been used in various sections of the road - some 34,000 cubic meters, along the temporary detour and along

service routes where 16,000 cubic meters have been used. Scarified material has been used along service routes - approximately 4500 tons, and the remainder of the scarified material - approximately 1,200 cubic meters, has been sent for re-use in an asphalt factory.



Operation & Maintenance Division's use of paving materials

Netivei Israel uses a range of asphalt mixtures, which are specified in the general specification for paving works. For the bottom layers, mixtures containing dolomite aggregate are usually used. For the top layers in traffic-intensive roads and on roads with complex geometry, mixtures containing basalt aggregate are used. On low traffic volume roads, dual-mineral mixtures are used, meaning mixtures consisting of basaltic and dolomite (zebra) mixes or mixtures with dolomite aggregate.

Type of aggregate

area	Total square miles	basalt	zebra	Dolomite
South	65	2	32	31
Yosh	30	18	7	5
Center	48	45	1	2
north	54	31	23	0
Total	197	96	63	38

Environmental Damage/Rehabilitation Events

Environmental damage/rehabilitation events – as has been stated earlier, the Company is a managing company which carries out projects through agreements with external suppliers. These suppliers are required by law, as well as by guidelines included in the contracts Netivei Israel signs with them, to obey all of the legal instructions regarding environmental protection.

Based on an examination the Company carried out, and to the best of its knowledge, a fire broke out on the 6.7.18, in an area owned by Netivei Israel northwest of Morasha Interchange close to Ramat HaSharon. Asbestos piles, which were strewn on the ground, were burned. The Company worked to clear the nuisance until an administrative order from the Ramat HaSharon Municipality was lifted

On 27/8/19, oils leaked following a fire in a factory near a work site where an accessibility promotion contractor was working on Highway 41 Nir Galim. A contractor sent by the factory cleared the material to the Moreshet landfill according to instructions from the Ministry of Environmental Protection. Disposal of the material was handled by the factory. Other than that there were no events which substantially impacted the Company.

Lawsuits - the Company is involved in pending lawsuits as part of its normal business processes (see explanations for the financial reports). According to the Company's agreement with the State, sums which will be charged to the Company due to lawsuits related to projects will be financed from within the project budgets themselves - projects which are within the work plan and when these are projects which have already been completed, or lawsuits which cannot be attributed to a project, then the authorized entity, in accordance with the Company's recommendation, will decide from which budgetary line item the money will be paid. Expenses due to these lawsuits are included in the project costs.

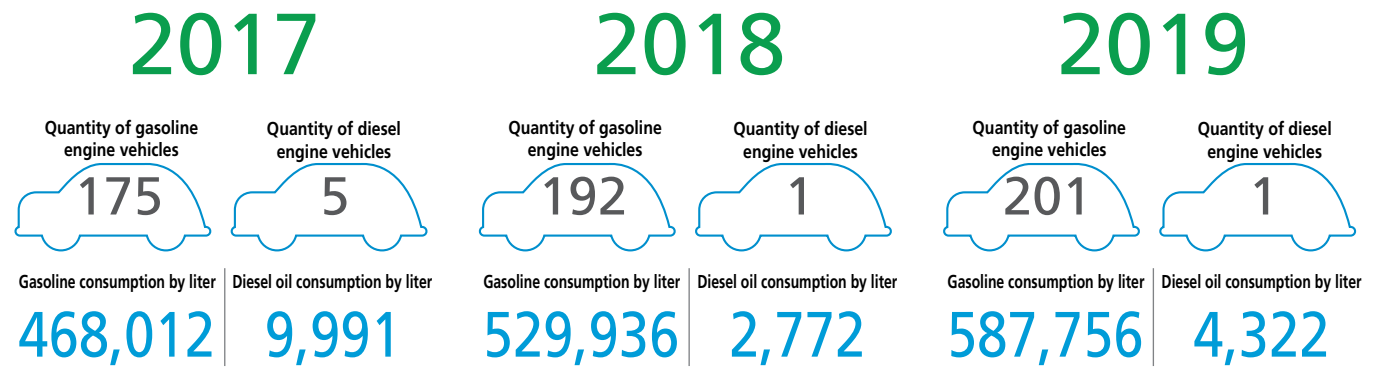
Environmental costs - environmental considerations are included in every project as part of the planning stage. The various environmental costs are included in the project overall budget and form an integral part of the project cost



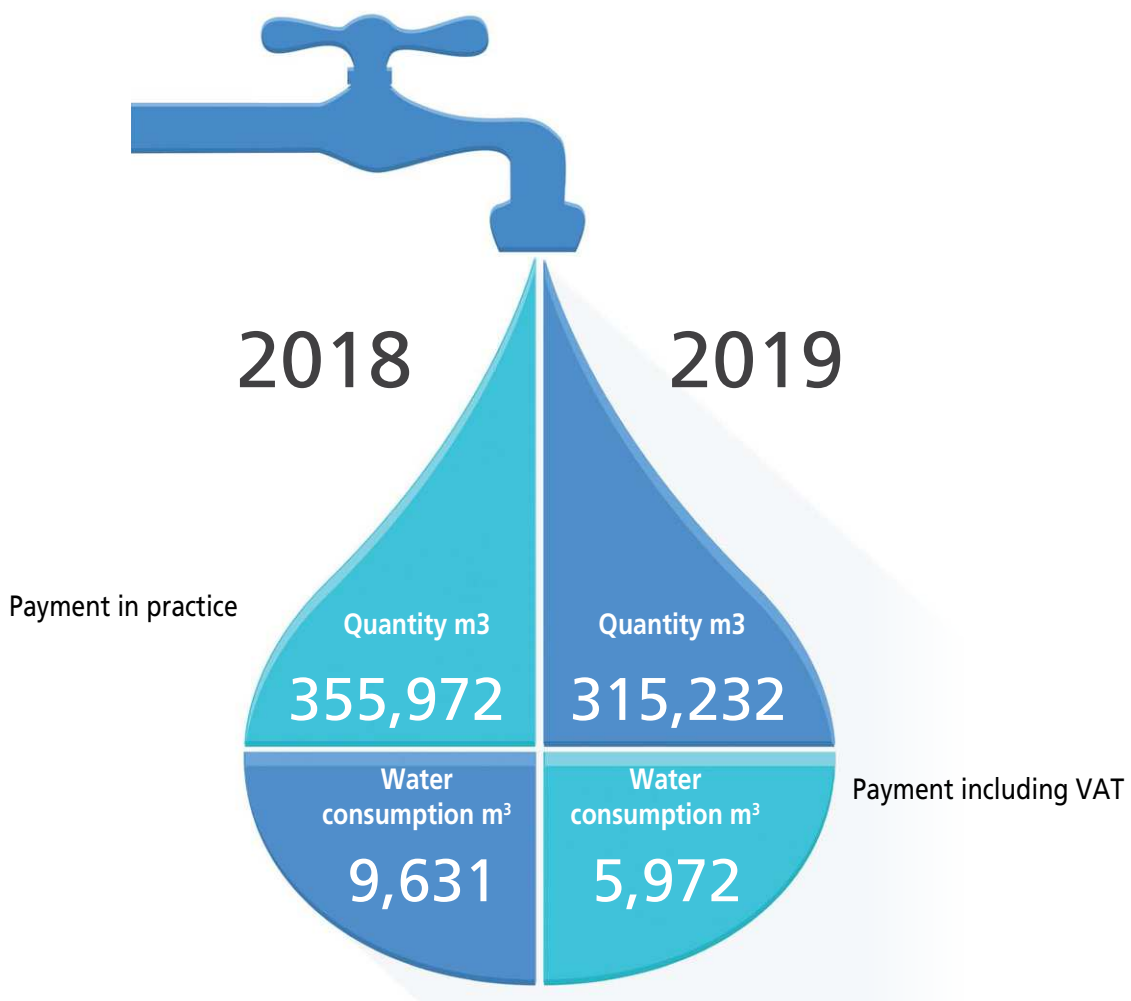
Netivei Israel Energy Consumption

Netivei Israel has an internal expert in charge of energy consumption is significant in its operation. The Company consumes energy in a scope of an oil equivalent of about 32,975 ton per year. In the year 2016, the Company conducted a survey to find a potential for energy conservation and savings, through an outside company specializing in the field in Israel as is required in the Energy Sources Regulations 1993, once every five years.

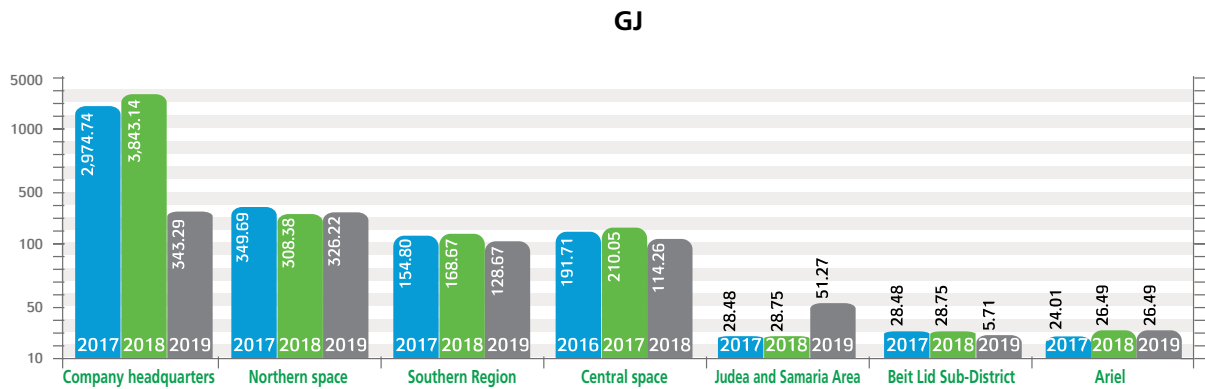
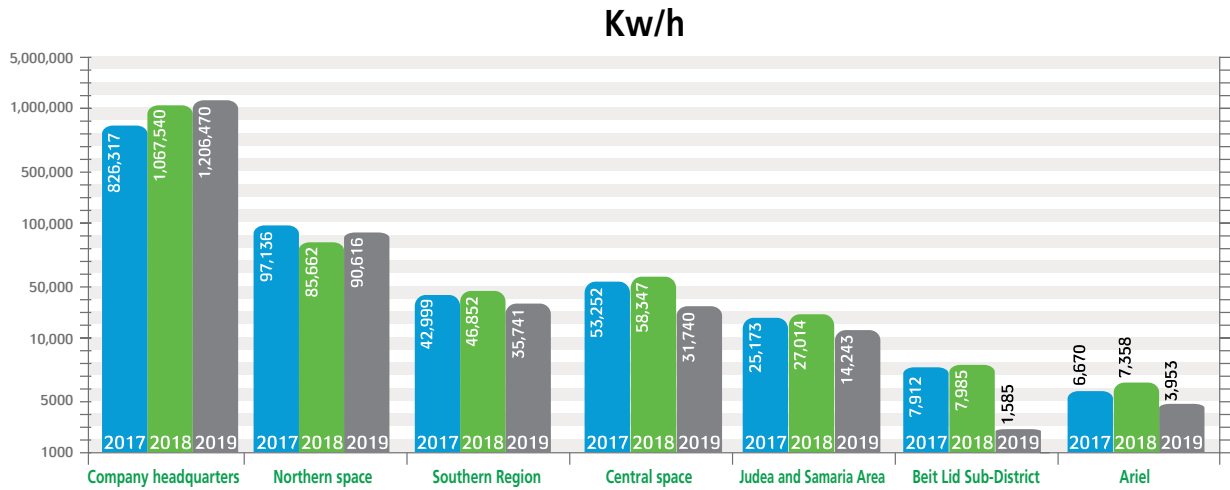
Fuel consumption



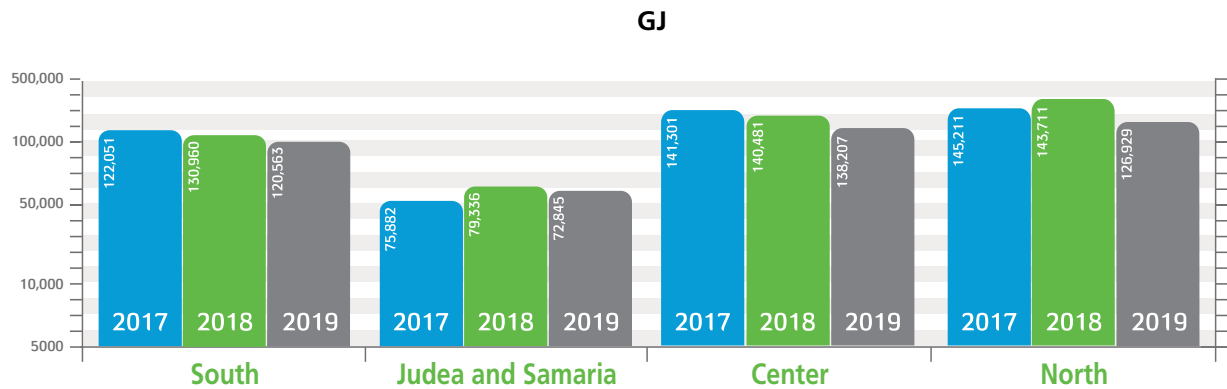
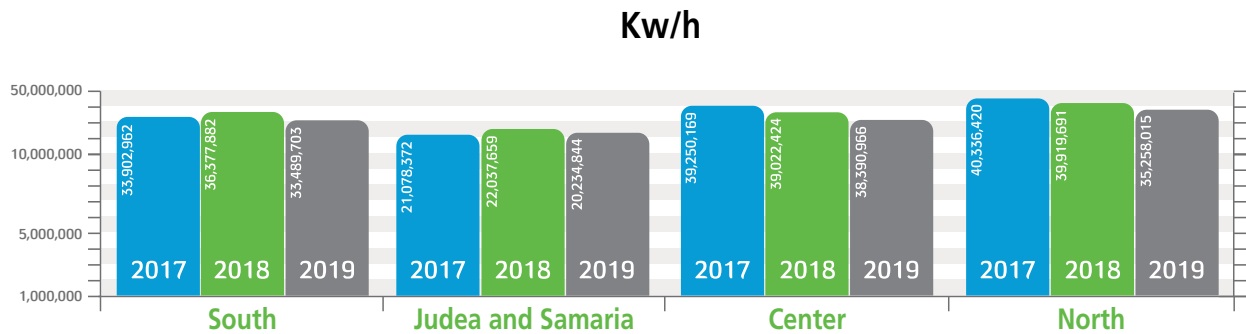
Water consumption in by the Maintenance Division



Power consumption in company buildings



Total electricity consumption of the organization



Construction of Photovoltaic Facilities on Interchange Grounds

Awareness of the importance of switching to renewable energy is increasing in Israel and worldwide. This refers to energy generated through the exploitation of solar radiation, wind, biogas/biomass, geothermal energy and other renewable natural resources. Israel regards electricity generation from renewable energy to be of great importance. In 2009, a government decision was adopted on this issue, which set a target of according to which 10% of Israel's electricity was to be generated from renewable energy by 2020.

The various government ministries are working on developing and including renewable energy in Israel's energy market following that government decision and also in order to advance energy security and independence for Israel while safeguarding the environment through reducing greenhouse gas emissions and air pollution. Achievement of these targets contributes toward industrial development and toward Israel's technological innovation, as well as contributing toward developing new jobs, especially in the peripheral regions. Electricity generation using renewable energy is being promoted - especially solar technologies, wind and biogas/biomass as these are applicable to Israel, while maintaining a fuel mix, energy security, minimizing costs and stimulating development of local technologies.

Solar energy is energy which is generated by the sun in the form of heat and light. This is one of the most abundant and readily-renewable sources of energy on earth. The fact that this energy is available in such abundance, cost-free, while not being the property of any single country, makes it one of the most important sources of unconventional energy. The first step in converting solar energy into electricity is the installation of photo-voltaic (PV) cells, or solar cells. The term photo-voltaic is an amalgam of two words - light and electricity. These cells capture the solar energy and convert it into electricity. These solar cells are made of materials which exhibit photo-voltaic effects, meaning that as solar rays reach a photo-voltaic cell, electrons are set in motion which ultimately is electricity.

Israel is a sun-drenched country. It has immense potential for exploitation of solar energy as an energy source. The Planning Administration advanced a National Outline Plan for Photo-Voltaic Installations - NOP 10/D/10 - as one of the ways to realize the said government decision. The purpose of this NOP is to lay down guidelines for setting up photo-voltaic facilities in order to encourage their use and to exploit the sun's energy to generate electricity. The NOP enabled issuing building permits directly through the plan for constructing the facilities on building roofs and facades.

This NOP allocated land use assignments in which plans can be submitted for the construction of the facilities. The Thoroughfare designation was not included in the list of such designations, and therefore this effectively blocked possibility of the Company building facilities in infrastructure projects.

In large-scale projects the Company is advancing and carrying out, sizable tracts of land are left with no paving on them, however they are still within the project boundaries but are not put to any use. These are areas enclosed within interchanges, retaining walls, acoustic walls, slopes, etc., which could, if used efficiently, serve for generating renewable energy.

With this in mind, the Company initiated, through its Business Development Department within the Finance Division, a move involving the budget department in the Treasury, the Israel Land Authority and the Planning Administration, to exploit these areas for building photo-voltaic facilities. The Planning Administration regarded this initiative to be an important move and has recently proposed an amendment to the National Outline Plan, which will enable construction of photo-voltaic facilities within the boundaries of interchanges. The proposed amendment will enable obtaining permits for dual-use photo-voltaic facilities and also other land uses in addition to what has been specified in the main plan: in areas enclosed within interchanges, on acoustic shields, on retaining walls and in other places as well.

The main challenge the Company faces at this stage is to identify potential areas for this initiative and to evaluate the feasibility of constructing photo-voltaic cells considering several parameters such as safety, environmental impact, traffic accessibility, connection to the electricity grid, etc.

This project has social impact. Despite the fact that solar energy is regarded to be one of the cleanest renewable energy sources of all the existing energy sources, it does incur environmental impacts. Solar energy makes use of photo-voltaic cells to generate solar energy. However, the photo-voltaic cells consume silicon and produce waste.

Improper handling of these materials may lead to exposure which is hazardous to humans and to the environment. Installation of solar power stations might consume a large plot of land, which could potentially

impact existing ecosystems. Solar energy does not pollute the air as it is converted into electricity through the solar panels. It is available in abundance and does not in any way contribute toward global warming. The project is being advanced as a shared value of Netivei Israel, combining financial and social considerations through cross-corporate collaboration involving the Maintenance Division, Finance Division, Statutory Sub-Division and the Engineering Sub-Division within the Development Division and the Corporate Social Responsibility Sub-Division.





Our Commitment to Our Supply Chain

As a managing company, the expectation is that its supply chain will be comprehensive, responsible, professional, high-quality and reliable. Therefore, the work processes and procedures dealing with handing over work for execution, beginning with the supplier setup stage in the repository, through submitting a request to enter into an agreement, approving the request and through to creating and managing a contract agreement, are key processes.

The bulk of Netivei Israel's engagements are with the domestic market. One of the main challenges in deepening and broadening the work and influence of Corporate Social Responsibility in the organization is the creation of a responsible supply chain, which upholds the principles of Corporate Social Responsibility and sustainability.

The Contracts & Engagements Division operates out of a broad system-wide view of all of the engagement processes as an outcome of the annual and multi-year work plan. This issue is all the more critical when considering that Netivei Israel is a management company which uses outsourced suppliers and in view of its business, which is transacted entirely through engagements. The Engagements Division is also responsible for the overall handling of the envelope

necessary for realizing the engagements: writing and editing documents related to the engagement process, coordinating the work of the Tenders and Agreements Committee, issuing tenders, signing and managing the

contracts with the Company's suppliers, managing the contract throughout the engagement period, ongoing maintenance of the engagement including handling change orders, streamlining the engagement processes and shortening timetables, creating transparency for all company customers regarding the status of each engagement request in the process chain, creation of built-in control points along the entire process and increasing the confidence of the company's professional entities. All this is done in favor of ensuring Netivei Israel will be able to meet the challenges, goals and targets the Company has set itself.



Tenders

Tenders Department issued 68 public tenders in 2019. One of the main tenders issued was the Concessionaire Tender. This tender is intended for carrying out contractor works of up to 31 million Shekels - for example danger spots, left turns, advancing availability and trans-community routes.

2019, which is the third year of the Contracts & Engagements Division's work, was designated as the year of positioning processes. Over this year, all of the Division's core processes were individually mapped and all of the processes were fine-tuned. One major improvement is the collaboration between the various planning axes within the Company, so as to facilitate dialog between the relevant entities and in an effort to uphold fruitful working relations while also conducting lessons-learned processes.



Service Level Agreement (SLA)

In 2018, the Contracts & Engagements Division formed an SLA model in order to regularize and define standard times for the main processes in the Division. In 2019, a major step forward was taken, in which besides the standard times, overrun targets were defined for each process, such that this will dramatically reduce the overruns in each and every process.

At year's end, in addition to meeting the standard times in all the processes, a substantial reduction in the size of the overruns was also achieved. In 2020, the Division has added yet another challenge in the SLA, according to which another target - "duration of overrun" - will be added, meaning that during the overrun from the standard, the number of days in overrun will be measured in order to reduce the overrun duration and to enable dealing with it and providing individual, quicker solutions for each overrun.



Automation processes in contract management

In the course of 2019, the Division specified the automatic contract production process, within which the system will produce contracts which are included within the automation process. The automation process is implemented at the pre-contract stage, where the main innovation is the system's ability to produce all of the contracts without human intervention, to set them up in the SAP system and to send the supplier an email regarding his being awarded the contract. The system automatically updates the insurances applicable to the supplier in the system and links them to the order being set up in SAP. All this takes place without human intervention anywhere in the entire process. The process will be implemented in 2020.



Suppliers Repository

the Suppliers Repository Department maintains and operates all of Netivei Israel's repositories including all of its suppliers. 2019 was marked by intensive work with emphasis on the Department's "supplier management" concept. This was expressed in several moves:

Company expert suppliers conference: in 2019, the Contracts & Engagements Division held the first conference of its kind, focusing on Netivei Israel's expert suppliers. The conference was intended to enhance professional knowledge in key areas, to address gaps which arose among the suppliers, to fully involve them in the work and in the policy of strengthening the ties with the suppliers by opening new and meaningful communication channels between the Company and its suppliers.

Creation of a computerized system for implementation of a load balancing mechanism for the suppliers: in the course of the year, the Division worked on creating a computerized system to regulate and balance loads on suppliers when registering in the repository, once a year. As part of the repository refreshing process, new suppliers get approval for inclusion in the repository - suppliers who have not worked with the Company in the past. These are suppliers who have fulfilled the prerequisites specified for the repository as well as complying with the rest of the requirements the Company has specified as part of its call for inclusion in each repository according to the Company's business disciplines. When new suppliers get newly-included in the repository, they have zero workload and, for the most part, they lag far behind the existing suppliers who have already been assigned work and they have a workload. In order to enable a balanced distribution of work, while controlling the amount of work a new supplier is assigned, and to apply quality assurance to the new supplier's outputs so as to avoid overloading him, and in order to also enable the existing suppliers to continue to take part in the rounds of work assignment, each new supplier gets loaded to a certain degree where the assignment is fully automated and is in accordance with a fixed methodology and a predefined algorithm. The purpose of the system is, for the first time, to apply the said load balancing in such a way as to enable continued balanced, equitable assignment of works among the various suppliers in that repository with no human intervention.

Computerized system for managing supplier freeze: the Company maintains a large number of repositories in various areas, some of which were created under Regulation 16 of the Mandatory Tenders Regulations, which defines how the bidders list must be managed, published and updated. Other repositories exist under a public framework tender.

The suppliers who are included in the repository are required to be active and to be at the Company's disposal at all times. However, there are cases in which suppliers must be frozen out of being assigned new work. This freeze may be applied sweepingly to all the disciplines in which the supplier is included, or it may be applied specifically to a single discipline. There are several reasons why a supplier might be frozen. For example:

- Freeze due to a decision from the Tender Committee
- Freeze due to supplier request
- Freeze due to absence of annual conflict-of-interest declaration
- Absence of compliance with mandatory standards

When a supplier is returned from the freeze period, he becomes active once again with no load, since during the said period he was not assigned work. This state of affairs can open a gap both for the supplier and in the principle of equitability and work assignment. Therefore, the Division decided on a methodology according to which a supplier returning from a freeze of more than 3 months will be assigned a certain level of load in accordance with the devised formula - automatically with no human intervention.

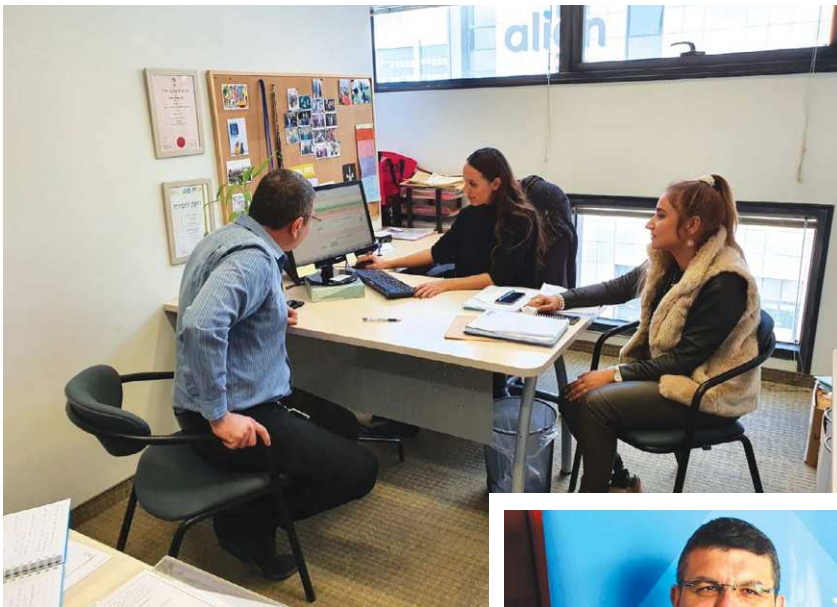
Among the other things it does, the computerized system documents the history of supplier freezes in the various repositories and thereby the company has achieved a substantial improvement in its ability to manage the history of its suppliers' conduct. The system also allows managing the freezes and statuses. For the first time it presents a freeze history and it also is able to perform a sweeping freeze on suppliers who have not handed in their conflict of interests declaration in the system. The system is yet another step on the way toward the Repositories Department's vision of transitioning to supplier management and retention and reflection of knowledge which is vital to the Company from the supplier management aspect.

Currently there are approximately 360 suppliers in the repositories and close to 700 roles. The freeze process is dynamic. It varies over the year according to the requests from the suppliers.

Setting standard times for refreshing the Netivei Israel repositories: the work plan for publishing and refreshing Netivei Israel's repositories is posted annually on the Netivei Israel website. The plan details the list of existing repositories and the timing for registration in the repositories according to the four quarters of the year. The prerequisites for the repositories are posted on a quarterly basis on the Company's website and in accordance with the annual work plan. As such, they are exposed and transparent to the public which is eligible to submit a candidacy, based on the prerequisites and at the specified time windows.

Besides the advertising on the Company's website, the opening of the repositories is also advertised in the newspapers. In the course of 2019, the Supplier Repository Department at Netivei Israel worked to establish standard times for refreshing the Company's repositories in a way which will also define the duration of maintaining the repository, end-to-end. An annual process of refreshing the repository is complex and it consists of many stages: evaluation of the prerequisites

and updating them if necessary (meetings with the professional authorities, the legal department, the tender committees), improving the repository itself and the data and suppliers included in it (receiving affidavits from the existing suppliers, thereby ensuring improvement of the data), publishing it to the general public, examination of the compliance with the prerequisites for new candidates (discussions with the professional authorities, evaluation of the prerequisites and administrative requirements, discussions in the Tenders Committee, setting up the suppliers, notifying the suppliers). Thus, every year work is done intensively in each repository - an intensity equivalent to the process of publishing a public tender in the Company, where each quarter work is done concurrently on several different repositories. The desire to set standard times for these processes was an outcome of the desire to achieve greater transparency toward the suppliers, thereby strengthening the ties with them out of efficiency and a desire for excellence.



Individual Requests and Quotations

Netivei Israel issues framework tenders in order to set up supplier repositories in various fields. In 2019, the Exempt Engagements Department issued 221 individual request procedures and quotation procedures, as opposed to 175 in 2018. As part of the work distribution mechanism, as defined in the framework tenders, the works that assigned to each planner/supplier are counted in two columns according to the estimated total scopes of the engagements for all the stages. The limits of the load columns have been specified according to the division specified in Regulation 5A of the Mandatory Tenders Regulations - up to 1.5 million Shekels and above 1.5 million Shekels.

According to the mechanism specified in the framework tenders, works of any size below and above 1.5 million Shekels are counted quantitatively in the relevant column and are assigned the same weight in that column - a weight of one point. Works of up to 1.5 million Shekels are assigned according to the quantitative loads report and according to the quality grades. Following the guidelines of the tender committee and the administrative work lead by the Division, a new outline has been devised to count loads for works of up to 1.5 million Shekels. The new outline will begin implementation in 2020.

As the project progresses and advances from one stage to the next, the load report gets updated automatically along with the fees update, according to the up-to-date overall load for the task. The said outline combines the loads more precisely according to their scope at any point in time, with a fairer work assignment mechanism for the suppliers, according to the quantitative loads and the quality grades of each one of the suppliers.

Competitive processes

Payment Ethics Law

Following the entry into effect of the Payment Ethics Law 5777-2017, the Company has organized itself to adjust the work procedures in order to enable activation of the payment mechanism to the company's suppliers in accordance with this law. During 2019 the Company launched a digital invoices system for contractors working with the Company. The system is intended to make the charging process easier, to increase transparency toward the suppliers and to save them the need to arrive in person at the offices to submit the documents. At the end of 2019, new standard times

were defined for handling invoices in the Company, the payment terms clause was worded and integrated into new contracts and was updated in relevant other contracts. Additionally, the invoice approval procedures were also updated and adjusted. At the beginning of 2020, the IT systems will also be adjusted to the standard times and a model will be defined in the BI to present compliance with the new standard times.



Reform of the Fees in the Supply Chain

In 2019, a reorganization plan was carried out in the Fees Department, intended to increase the efficiency and improve the service provided to the planners and surveyors cross-company, in terms of the fees payable. As part of this plan, several reforms were applied:

Transition to project-based work: up until 2019, the heads of the fee supervisors in the Fee Control Department operated according to a method in which planners and surveyors cross-company relied on a discipline-based work method. This work method prevented a holistic view of the project in terms of fees, and at the service level it created multiple addresses for project managers, for the planners and for the professional authorities, and it also prevented proper control over loads in order to provide quicker responses in terms of fees for these populations.

In order to improve the service quality and to carry out individualized, quicker fee analyses, the mechanism was altered such that as of the second quarter of 2019, a focal point for fees was assigned in each project, to be in charge of the fee aspects throughout all of the planning stages in the project.

Measures for identifying fee-related obstructions: A thorough process was conducted on the entire issue of fees to identify obstructions both "at home" - meaning in the Fee Department, related to the processes, systems

and work methods, and "external" - meaning the length of time fees are handled by the project manager and interfaces with intra-corporate entities. To achieve this, the main obstructions were mapped and a plan was prepared to provide a quicker response to the planner population, including setting a standard time and mechanism for measurement for the project manager (quality/time) and inclusion of that time in the quality grades assigned to the project managers.

Standardization: Over the course of the year the Department standardized the plans submitted to the Fees Department in order to create a unified, clear submission code.

Planning tariffs update: the planning tariffs at Netivei Israel have not been updated these last several years. In 2019, the Division's Fees Department began working on updating the planning tariffs, in accordance with a multi-year plan, to the extent of creating a leading, up-to-date tariff book. The tariff updates will begin in 2020 and will take about two years.



Conflict of Interests

Netivei Israel regards its contacts with its suppliers to be of great importance. The Company does everything it can to eliminate any concerns regarding conflicts of interests in the agreements it issues. To this end, the Company contacts its suppliers once a year via the Conflict of Interests Group, and requests that a Conflict of Interests Declaration form be filled out. The basis for evaluating the existence, or absence of conflict of interests is the suppliers' declaration, as it is submitted to the Company every year. The Company's conflict of interests policy (the same principles on which the Company evaluates the suppliers' declarations on all matters concerning conflicts of interest) are brought to the suppliers' attention every year.

In 2019, the Conflict of Interests Group contacted 657 suppliers, analyzed their declarations based on the Company's policy and reflected its decisions to the suppliers and to the expert panel in order to arouse their awareness of the limitations in appointing the suppliers, if there are any.

Change in company policy: the Company regards the interaction between project managers and contractors to be potential breeding grounds for conflict of interest. Therefore, in 2019 the Company's policy regarding the entire issue of interaction between project managers and contractors underwent a re-evaluation. As part of this evaluation, the Company decided on several changes in its policy in this respect as detailed below:

- A project manager is barred from providing services to a contractor with regards a project he is managing in the Company (throughout all stages of the project).
- In the event that the winning contractor is involved in any business relationship with the project manager of that contractor's project, then following the announcement of the winning contractor, the project manager will be replaced.

- Project managers, who have declared business ties with contractors, shall be subject to a compensatory control by the relevant professional entity in the Company beginning with the planning stage, through the tender stage and to the winning contractor announcement stage.

In the course of 2019, various upgrades were made to the conflict of interest supporting systems:

1. Development of a special module to be used by the expert panel, which enables the panel, while appointing a supplier, to check whether there is any fear of conflict of interest within the context of the said appointment.
2. Development of a control module for managing the network of conflicts of interest in a manner enabling evaluation of conflicts of interest in active projects, while alerting to potential conflicts of interest in existing projects.

The Insurance System:

In 2019, the Division transferred the inventory insurance (bridges, tunnels, interchanges etc.) under Inbal Insurance Company, which serves as the insurance company for the State assets. This move lowered the annual premiums by about half a million Shekels while also obtaining optimal terms for the coverage and achieving more comprehensive coverage.

This past year, the Insurance Department has operated in such a way that every insurance permit prior to the go-to-work order was acted upon within 24 hours, slashing the lead time well below the specification in the procedure, which is 72 hours.

The Concessionary Tender - Test Case

When writing the new concessionary tender, a great deal of thought was devoted to getting it to be good and efficient, where on the one hand it will serve the Company, resulting in the selection of good, high-quality contractors, and on the other hand - creating a tender which would be fair toward the contractors. This was done by, among other things, uploading the price list, streamlining the proceedings and cutting the red tape. Under the new tender outline, the Company uploaded the concessionary tender price list, in addition to the price increase which has come into effect with the Company price list which was released in February 2019. This applies to several chapters, such as: asphalt layers on pavement - 10%, signage and traffic signs - 10%, steel railings - 5%.

Moreover, the Company has set several factors, besides the said price increase. For example: small-scale works factor - 0-2 million Shekels - a 5% premium will be payable on the task estimate. 2-4 million Shekels - a 3% premium; urban roads, cross-town factor, - a premium of 3% will be payable; geographic regions factor - a 6% premium will be payable for remote geographic locations in accordance with maps which were published as part of the tender in four different regions (Golan Heights, Judea & Samaria, Dimona southwards line, Dead Sea and Arava).

A mobilization allowance - in the concessionary tender price list there is an allowance for mobilization at the site, totaling 60,000 Shekels. This sum has been increased from 50,000 Shekels (which had been paid under the previous tender).

Winning price - the Company has entered into an agreement with 23 winning contractors in the two tenders, divided into 2 regions in each tender. The winning prices have been normalized according to the price proposals that came third/fourth in terms of price quality (BG2 North). This means that the contractors that were ranked in the first places will be receiving more money than they proposed, in accordance with the normalized proposal of the third and fourth bidder, while the contractors that were ranked in lower places will also be receiving the payment according to the price proposed by the third/fourth bidder, meaning that they will have to adjust their proposal. All of the contractors have agreed to adjust their proposal according to the bid submitted by the bidders that came out in third/fourth place.

Work distribution mechanism - the tasks shall be distributed cyclically according to weighted load, which

is measured according to the amount of tasks which have been allocated up until that point and according to the winner's ranking in the bid grading. A winner that has been ranked in the first place will receive 20% more work relative to the average of works distributed and the winner ranked last will receive 20% less work relative to the average of the works distributed. The rest of the winners will be assigned work relative to them. BG3 G4 – according to the monetary amount of the works. This means that the winners that were ranked in the first places will also benefit from a greater amount of work and greater sums of money.

The company examined the issue of guarantees and it was decided to make several changes which will make it easier on the contractors within the concessionary tender. For example: the ongoing guarantee has been canceled, the task guarantee is a single guarantee which serves also as the warranty period guarantee, Guarantee endorsement in favor of warranty period guarantees will be done when delivering for maintenance only (in the previous tender - the endorsement to warranty period was done upon receipt of an unconditional certificate of completion, delivery to maintenance and submission of a final invoice), in classifications G3 + G4, the warranty period has remained unchanged at 24 months, however after 12 months, the Company is permitted, upon request from the contractor, to lower the guarantee amount by 50%.

At the end of the day, a substantial change has been made in the framework of the new concessionary tender outline, and indeed the result has been submission of good proposals for the tender and 10 new contractors, who had not previously worked with the Company, have also joined.



Our commitment to Our Employees

We are at the onset of the fourth Industrial Revolution. Technological developments in various fields are at the bottom of these changes, which are quicker and unlike anything we have ever seen before. Smart systems inside our homes, in factories, in traffic management within the urban, suburban and interurban space, bring with them the ability to solve problems and open up possibilities which did not exist in the past.

The shared economy enables people to consume services without buying products and this therefore impacts consumption, manufacturing and also employment. It is not yet clear whether the new technologies will create more jobs or the reverse - they might be leaving people with less work. However what is clear is that in the transition between what has been and what will be, many of the workers will find that technology has replaced many parts of what they were skilled at doing and that they need to learn how to work alongside the technology and perhaps even move on to a new field of work, one in which human beings still have an advantage.

Professions are changing and will continue to change and with them will change also the job descriptions, the role and skillset. This realization indicates that we are nowadays better off seeking employees based on broader indications, which testify to relevant competencies for today's needs, but also competency for adapting to tomorrow's changes and, more than anything else, the ability to learn all the time. This transition is substantial. It includes employers' readiness to hire candidates based on new criteria of training, competencies and experience, rather than clinging to the familiar definitions of what used to be the common practice for a specific profession and role.

Within this space, with the changes which are gaining pace and challenging organizations, Netivei Israel is working to develop a supporting working environment and a team-oriented corporate culture. This is done out of Netivei Israel's commitment to safeguard the dignity of its personnel and to preserve equal opportunities anywhere and everywhere and to drive changes for the good in the lives of the employees, which will empower them and their contribution toward success.

The Company believes that the employees are its main asset and therefore Netivei Israel considers their development and retention to be of great importance. This is done through creating a containing workplace, investing in personal and professional development, in the employee's health and quality of life and in ensuring the existence of a lively, open and caring dialog. The Company seeks to implement a corporate culture which creates identification of the employees with the corporate values, which encourages employee development such that they will bring their full potential and learning potential to bear, to develop the ability to change, to update oneself proactively for the good of their own development and for the sake of developing and knowing that learning is not just a classroom and training, it is also something that is done on a daily basis, with each task, all the time and also proactively and independently.

Our Commitment to Our Employees

Employee welfare: an employee attitude survey has been conducted in order to set priorities in the way the welfare budget is distributed. The survey was yet another metric for the Welfare Team's decision, along with other considerations. As part of the welfare activities which took place, were a Purim event for the company employees and their families, a Women's Day event for the company's female employees, and an annual continuing education program in Eilat. In accordance with the decision made by the welfare team headed by the VP Resources and with the involvement of the Chairman of the Workers' Committee and the Human Resources Sub-Division Manager, and with approval from the Company CEO and the Board of Directors, the 2019 welfare budget was increased and stood at 2,560,000 Shekels.

Lecture on health insurance: the health insurance market in Israel is one of the most complicated. It is also constantly changing through changes in the legislation and in the regulation. In view of changes to the law, the company gave a lecture in 2019 on the Group Health Insurance Netivei Israel provides for its employees and their families. The lecture was delivered by the Fresh Concept Company, with whom the Company entered into an agreement to provide consulting and support for the employees in this field.

Engineer recruitment & retention bonuses: in view of the difficulty the Company is experiencing in recruiting civil engineers at the up-to-date wage levels in the Joint Bargaining Agreement, the Director of Salary and Employment Agreements in the Ministry of Finance authorized the Company to award retention bonuses to civil engineers who meet certain criteria at the management's sole discretion, subject to quotas approved by the Director of Salary and Employment Agreements.

In 2019, the bonus was awarded to 8 civil engineers from among the Company employees.

Occupational diversity: the Company decided, out of its understanding of the importance of social responsibility, to place emphasis on the issue of occupational diversity, which means inclusion of workers with disabilities and recruitment of new employees while giving precedence to special sectors. As of 2019, 5.6% of the Company employees are workers with disabilities and workers from the special sectors. Additionally, the Company has set itself a goal to include women in senior roles. In 2019, women occupied 28% of the senior roles out of all the senior positions in the Company.

Executive dashboard: During 2019, the Human Resources sub-division developed, jointly with the IT, a platform for viewing employee attendance data and other reports on the attendance performance across various cross-sections in order to enable the division and sub-division managers to control and manage the employees reporting to them optimally.

Digital personal file: with the development of the digital world, the Company has decided to concentrate all of the paperwork suited for the employee's personal file digitally within the Company's systems. A digital personal file was built together with IT, consisting of tabs with the various document types filed under them. This enables quick retrieval of relevant documents and also it will enable reports to be produced as needed in future. The employee documents which were physically inserted into the personal files were scanned into the digital files and nowadays they enable computerized retrieval of a document.

Retirement: in 2019, the Company sent employees, who are approaching retirement age, and their spouses to a retirement preparation course provided by the Civil Service Commission. The course was provided in several regions for the employees' convenience. The course days were counted as paid work days.

Activities for the Company retirees: as part of the Company's activities, it holds several events per year to strengthen the ties with its retirees. In 2019 the following events took place with the Company retirees taking part: New Year's toast, a day trip, and vacation in Eilat

Human Resources Sub-Division Targets for 2020: manning the updated organizational structure with emphasis on the Airport Administration, the Innovation Division and the Railway Infrastructure Division, planning and carrying out a proper welfare program together with the workers' committee, continue the retention and enhancement of the engineering core, development of IT to improve the quality of the handling of the human capital, manpower planning based on the wage budget, employee evaluation as a vector for personal improvement and promotion and for appreciating the outstanding employees.

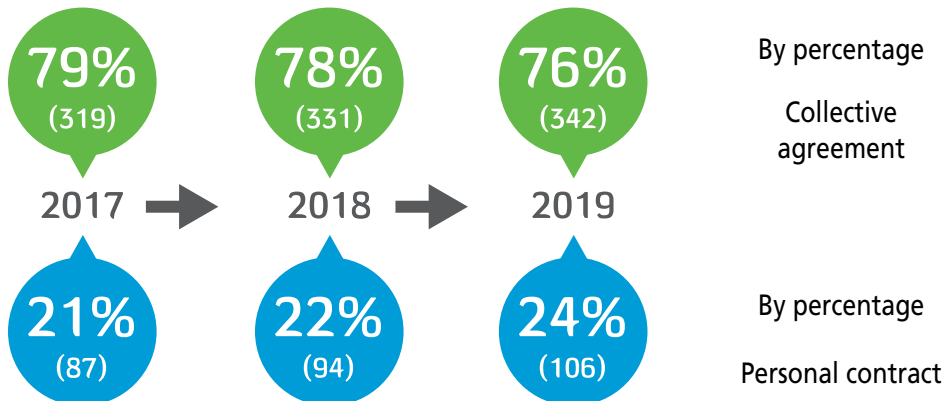
Employee promotion rates year-by-year



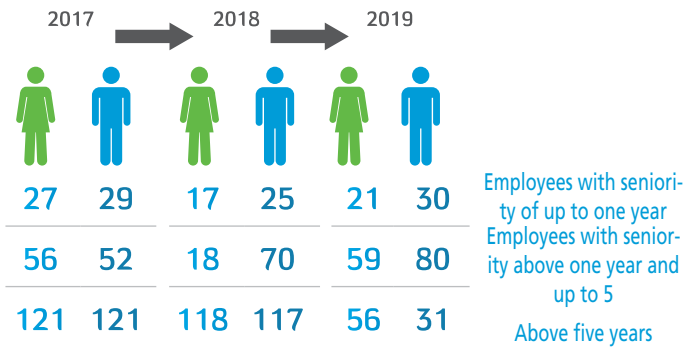
Extent of absences



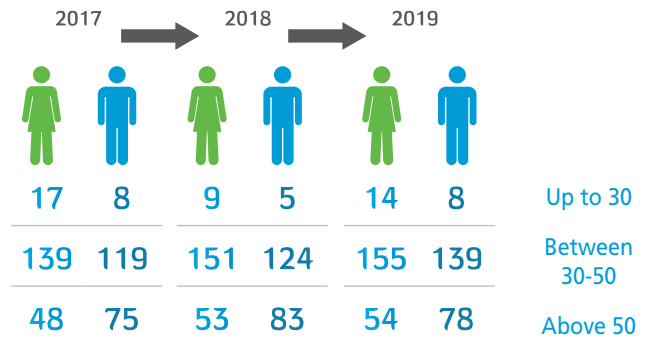
Annual segmentation of employees according to gender in figures and in points



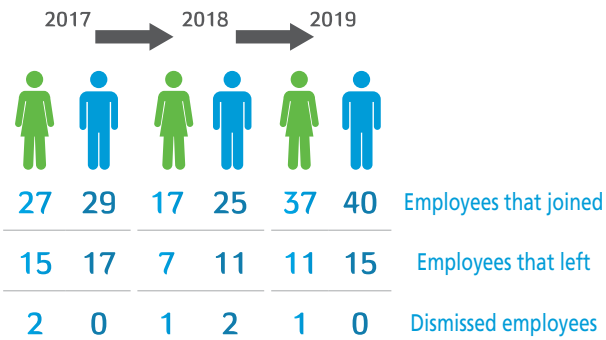
Employees segmentation by seniority in the company



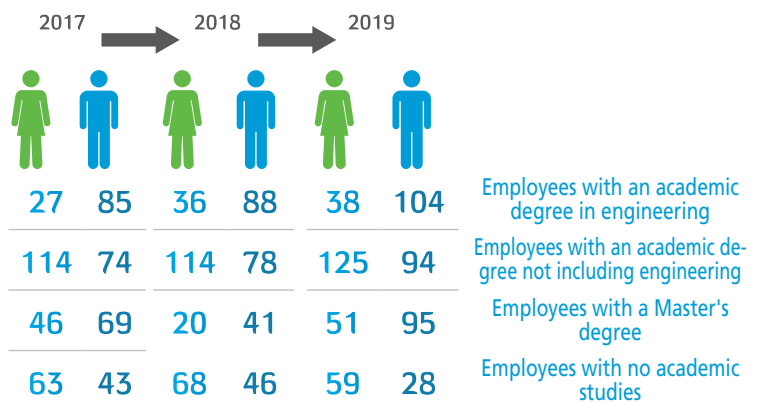
Employees segmentation according to age and gender groups



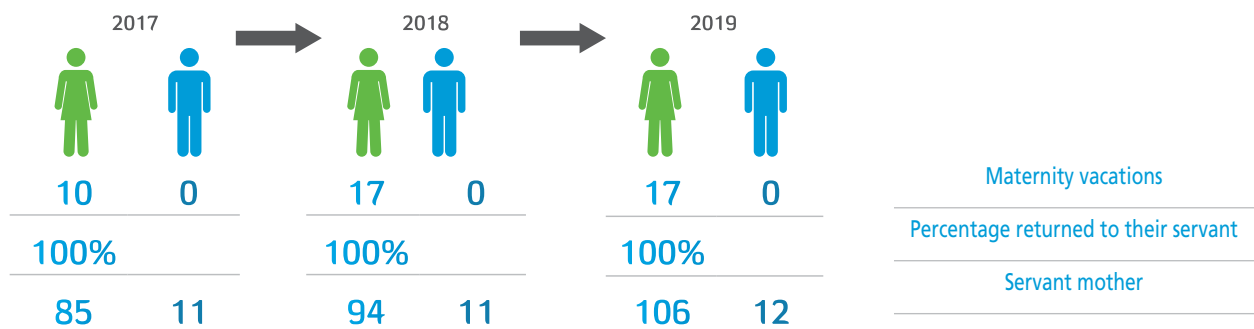
Segmentation of employees turnover by gender



Employees segmentation by education



Several facts / figures that come back from maternity leave at an annual cut



Employee Safety

Standard 9301 for Management of Transit Safety and Quality:

Neteiv Israel is certified to SI 9301 of 2010. The principles of the standard are based on the principles of the Quality Management Standard [ISO 9001] and the Safety Management Standard [OHSAS 18001]. Certification to a standard and implementation of the standard's requirements result in a reduction in malfunctions, accidents, and having to deal with vehicle damage and bodily harm. They even yield considerable savings and streamlining of the ongoing operation of the vehicle network as well as the quality of the Company's conduct.

Main Goals:

- Risk management and identification in the transit network, data collection and analysis and setting targets for improvement
- Adapting to the requirements of the relevant laws, regulations and standard
- Raising the level of safety within the Company
- Driving processes and plans for improvement in the transit safety and quality network

A primary Goal in the activities of the Transport Department in the Procurement and Logistics Sub-Division - is to reduce the number of traffic accidents and the amount of traffic violations caused as a direct result of negligent driving while increasing safe and careful driving awareness among the employees

Main points of the 2019 work plan of the Transport Department

- To increase awareness among the company employees of the importance of observing the caution and safety rules on the roads by distributing information, providing professional presentations and training materials
- Practical and professional seminars for personnel driving company cars: skid pan, practical driving guided by a professional driving instructor
- New vehicle tender (partial transition to hybrid vehicles)
- Examination of the feasibility of shared drives among the company employees



Advancement of a Safe and Healthy Working Environment

A safe and healthy working environment, free of hazards and safety risks is part of Netivei Israel's policy. Therefore, the framework for the activities of the safety network and the roles therein, within the Company's office buildings, have been defined in advance.

As part of the factory-wide safety management, the safety committee was established. The committee meets eight times a year. Members are six representatives of the employees, who have been appointed by the Workers' Committee and six representatives from the Company management, who have been appointed by the Company CEO. The Safety Officer participates in the committee's meetings and serves as its advisor. The committee convened eight times in 2016. The committee makeup, the appointment of its members, the timing of its sessions, and the principles according to which they operate are all in accordance with the regulations of the Labor Inspection (Organizations) Law (safety committees and safety trustees). The frequency of the training for employees varies between one role and another, as needed. However the safety training for all employees takes place once a year. Besides this, the Company has been certified to SI 9301 - Transit Safety. First and foremost this is about saving lives and caring for the safety of the Company's employees who drive cars. In addition to this, implementation of the standard's requirements results in a reduction in malfunctions and accidents, which involve having to deal with vehicle damage and even contributes toward considerable savings and streamlining of the ongoing operation of the vehicle network as well as the quality of the Company's conduct.

In 2019, periodic examinations / survey examinations of the company employees across an age cross-section of employees with two years seniority in the Company. The Company has contracted a medical survey institute at the Sheba Tel HaShomer Medical Center, which operates a modern operation of periodic examinations. Eligible employees have been offered this service, where the examination day is counted as a paid work day. As part of the encouragement of sports activities, the employees have a gym at their disposal, with a physical fitness coach on premise on Sundays thru Thursdays in the morning and afternoon hours.

Netivei Israel is certified to the ISO 4500 standard - Occupational Health and Safety Management: this standard specifies requirements for the occupational health and safety system and enables the Company to form and accomplish a policy and targets in this field, taking into consideration legally-mandated requirements and information on health and safety hazards. In 2019, the Company complied with the requirements for advancing to the standard's new release.

Social Leadership: Giving, Contributing, Making a Difference

Netivei Israel enacts pan-divisional activity geared toward advancing the community, through cooperation with the country's leading non-profits. "Social leadership starts first and foremost from the community in which we exist", says Rakefet Levy, Deputy VP Human Capital, Organizational Development and Operations, who manages the social leadership operation in the organization - "volunteer work provides us with added value as an organization and as a company. It also enhances our ability to help those that really need it". Rakefet Levy, Deputy VP Human Capital, Organizational Development and Operations, tells how social leadership is applied and what a community concept is in a leading organization. Nitivei Israel sums up 2019.

How does social leadership manifest itself in the company? We place the emphasis on social engagement and action with our community partners. We have a representative in the "Social Leaders Forum" initiative - a social leader from each division, who works on the whole social activism area.

What has your work this year included? "The company's offices are in Or Yehuda. It was important for us to connect and contribute to the surrounding community through cooperation with the local authority. Our agenda - volunteering with children and teenagers.

One of our main activities is with the children in the town's after-school child care facilities. These children arrive at the facility directly from their schools, and spend their time there until the early evening. They are given lunch, they do their homework and they are even served dinner at the after-school child care facility. Unfortunately, there are over 800 families in town under the care of the welfare authorities and it was important therefore for us to support them.

We have other collaborations with the Educating for Excellence Association, Leket Israel and the Lasova Association. Last year we held activities for the younger age group. we took the children for a fun day out at the Extreme Park in Akko and for a tour of the Children's Museum. This year we plan to take the teenage group for a tour of Jerusalem, to expose them to various lectures, such as priming for military service, or a lecture on legal terms. One must bear in mind that the children in these associations are not treated to such activities very often, and therefore it is essential in my opinion that we continue to give from ourselves for these children.

How do these activities come about? Who is behind the process of producing them? "At the beginning of each year we build an action plan and get approval for it by the executive level. We produce the activities ourselves without any assistance from third-party operators. Each one of the seven divisions has between 5-7 activities per year, so you see quite an effort is being put into this. There are 11 incredible, inspiring women that carry out this sacred mission. Sigal Wein of the Finance Division, Asnat Mamo of the CEO Staff, Adva Sekler and Noa Gabbay of the Engineering and Development Division, Olga Israelov and Evelyn Kamallo of the Contracts & Engagements Division, Sigal Wein of the Finance Division, Hava Holzaken and Ayelet Diskin of the Legal Bureau, Asnat Mamo of the CEO Staff, Efrat Leibovich Tuttengal of the Operation and Maintenance Development, Orlev Assis and Kai Kahlon of the Resources and Administration Division. These incredible women produce and carry out all of the activity throughout the year - all on a totally voluntary basis. Thanks to the harnessing, the hard work and their big heart, we carry out the activities with the volunteers for the benefit of the community.

In the Company's work plan conference, each one of these leaders was awarded a Certificate of Recognition for their contribution and work with the children and teenagers - our community partners.

What are the future plans? "It is important to consolidate this activity as a social value, transcending philanthropy. To understand the added value we bring to the community. To enlist each one of the company employees to contribute of their time, since our potential to give, to make a difference, is tremendous. And that is what leads us to this social activism within the Company and outside it".

Good in your own way





Training and Organizational Development

The Stairway to Success program was developed in order to provide the Company employees with opportunities to learn and develop. In 2019, a variety of workshops was provided, which promoted contents of individual development and enrichment. For example - presentation, proactiveness, creative thinking, time management, and so forth. Stairway to Success 2019 included learning from various content areas, diverse and relevant to the participants, individual learning in a group, selection of the workshops according to the employee's individual preferences, experiential, exciting workshops.

Some 300 employees and managers took part in the program. Each employee was permitted to participate in two workshops as per his personal choice. Summaries of the workshops were posted on the organizational portal to make the contents accessible to the rest of the company.

Following the success of the program, and in order to create continuity, the Stairway to Success program 2020 was developed, consisting of an in-depth learning process in the chosen content area - advanced contents for the participants, individual development alongside group development (peer group). The workshops were selected according to the employee's individual preferences, experiential, exciting workshops. Target audience: employees and managers (up to the Department Manager level). Each employee will choose one course of study out of three options: a personal course, an interpersonal course, and a career course.

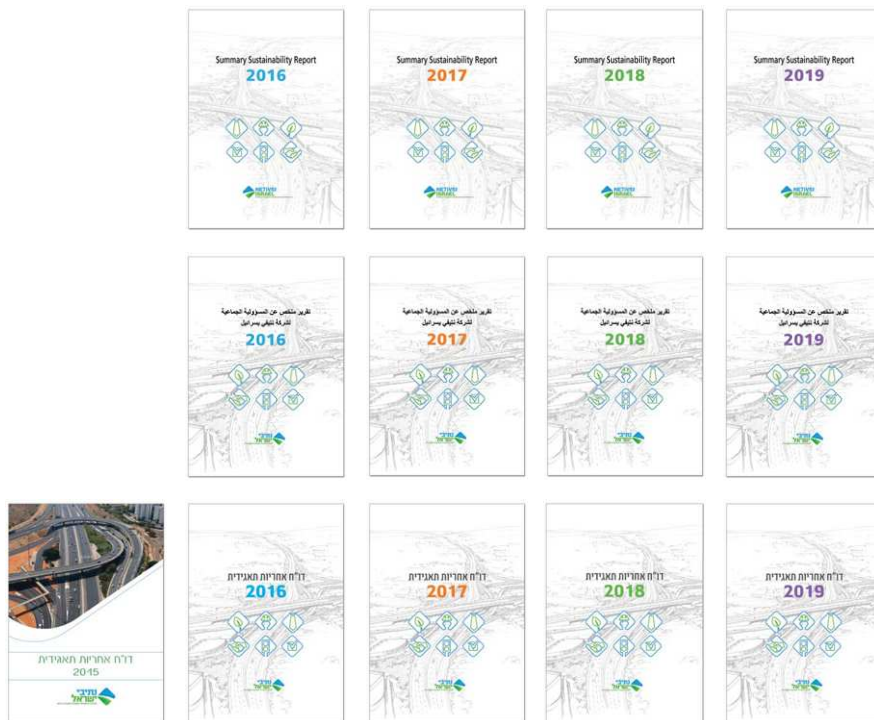
In each course, a different content area will be emphasized in order to provide an in-depth, diverse solution. Each course will consist of 3 workshop-style get-togethers, half a day each, taking place once a month.

The facilitator will remain the same person throughout all of the meetings and so will the makeup of the participants in each group.

"Atidim program - Transport Infrastructure Cadets" - a collaboration with the Friends of Atidim non-profit, the Ministry of Transport, the infrastructure companies and the budget department in the Ministry of Finance. Each year 25 civil engineering students were recruited for the program. Each student was awarded full funding of one year's worth of study in the Technion, an expense allowance and a comprehensive extra-academic training program from a specially-selected team. The graduates were hired into the government companies and in the Ministry of Transport for 4 years of professional placement.

The program ended in 2019 and in the course of that year the graduates of the third and last year were hired and placed. In 2020, one graduate of the third year of the program is going to be hired in Netivei Israel and in addition, three master graduates from the first year will also be hired in research and development roles.





I thank you for your interest in the report and invite all our stakeholders to contact us to promote new relevant and sustainable ways in the areas in which we operate to the benefit of all the residents of the State of Israel.

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