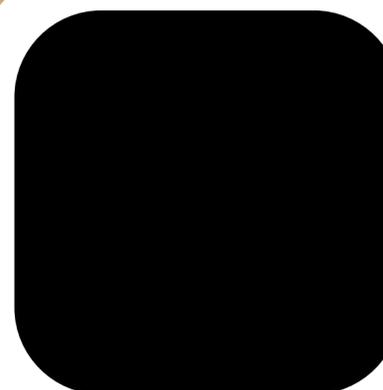
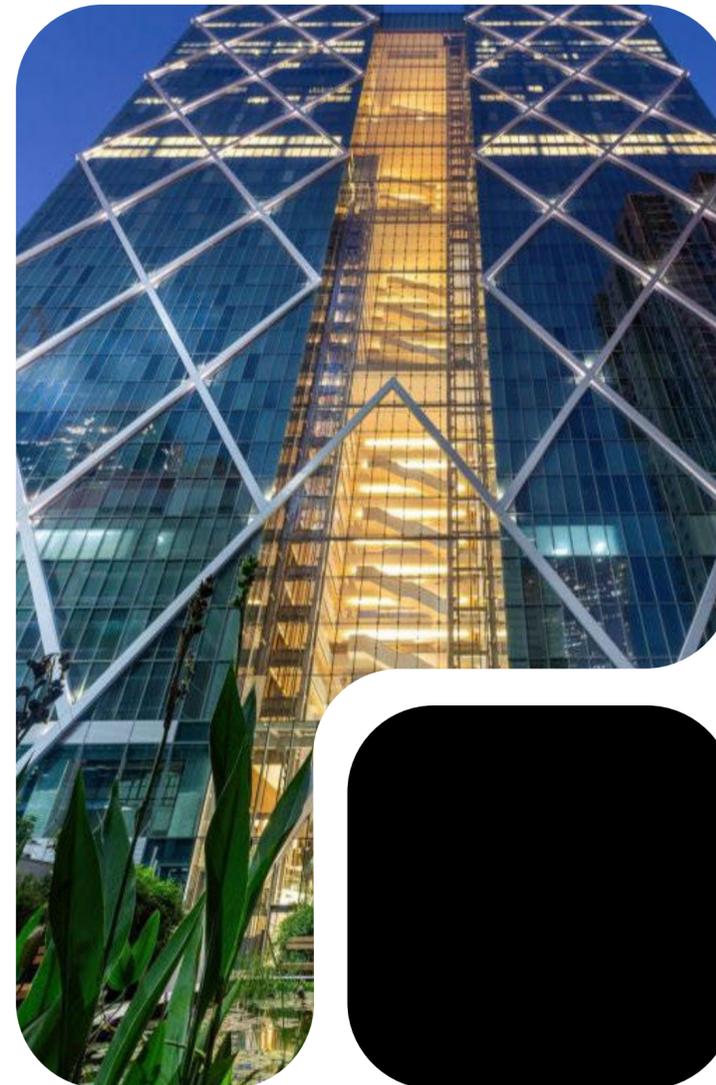
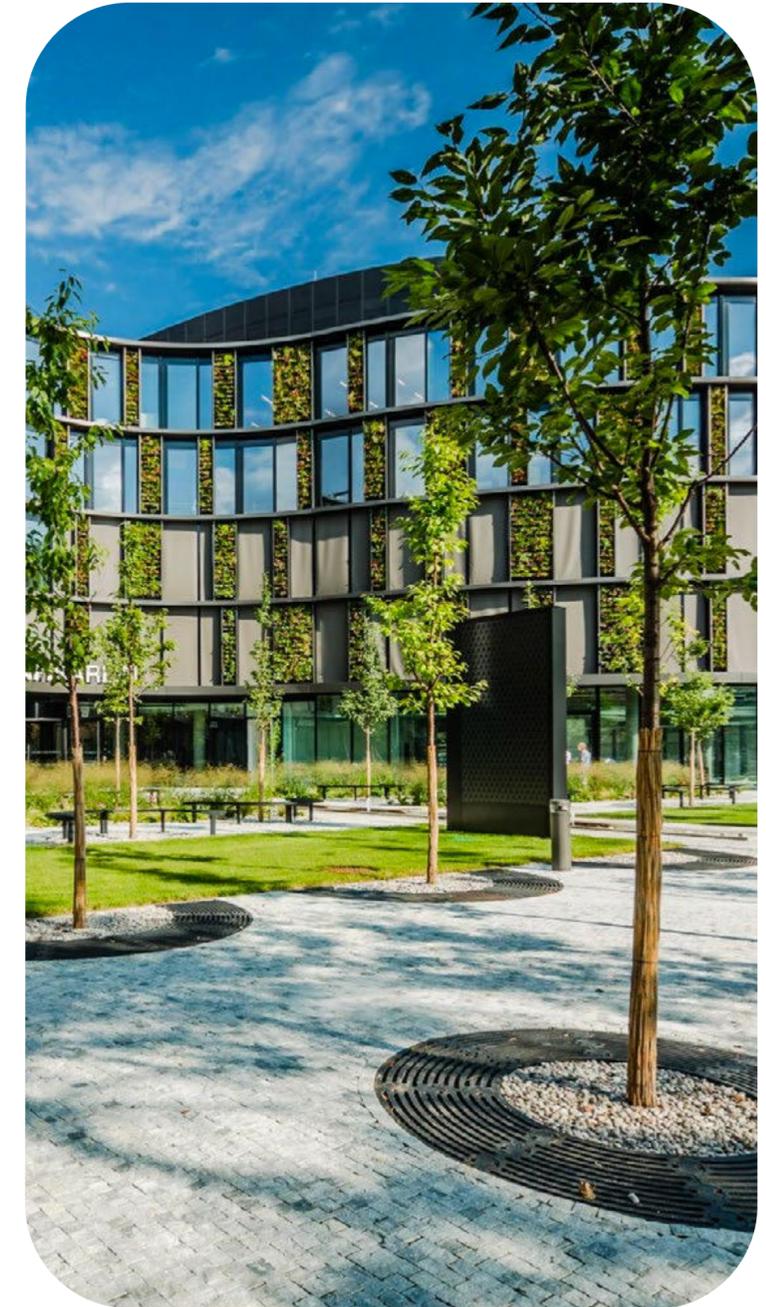




# 2024 ESG Report

Sustainability at the core.  
Value for the future.



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# About this report

## Report overview

This ESG Report constitutes AFI Properties Ltd.'s second formal ESG disclosure and covers the Company's activities, policies and impacts for the reporting period January 1st to December 31st 2024 and the ESG strategy development process completed in 2025. The report provides a comprehensive overview of AFI's environmental, social and governance (ESG) performance and reflects the Company's continued commitment to sustainable growth, transparency and responsible business practices.

In line with AFI's strategic approach, the document outlines the Company's ESG framework, governance mechanisms and policy structures. It presents both established and newly introduced metrics and targets designed to guide, assess and improve performance across the portfolio. Each section details the Company's 2024 achievements, key developments, challenges encountered and ongoing strategies to strengthen ESG integration across operations.

## Scope of the report

This report encompasses AFI Properties Ltd.'s operations across Israel, Romania, the Czech Republic, Poland, Serbia, Bulgaria and Latvia, unless otherwise specified. This ESG Report has been prepared with reference to globally recognized reporting frameworks, including the Global Reporting Initiative (GRI) Standards and the Corporate Sustainability Reporting Directive (CSRD). These frameworks support AFI's commitment to accountability, comparability and transparent communication with its stakeholders.

## Feedback and inquires

AFI values ongoing stakeholder engagement and encourages feedback or questions regarding this report or the Company's broader ESG strategy. Please direct inquiries to:  
 Roey Graif, Group Operations Manager  
[RoeyG@afi.global](mailto:RoeyG@afi.global)

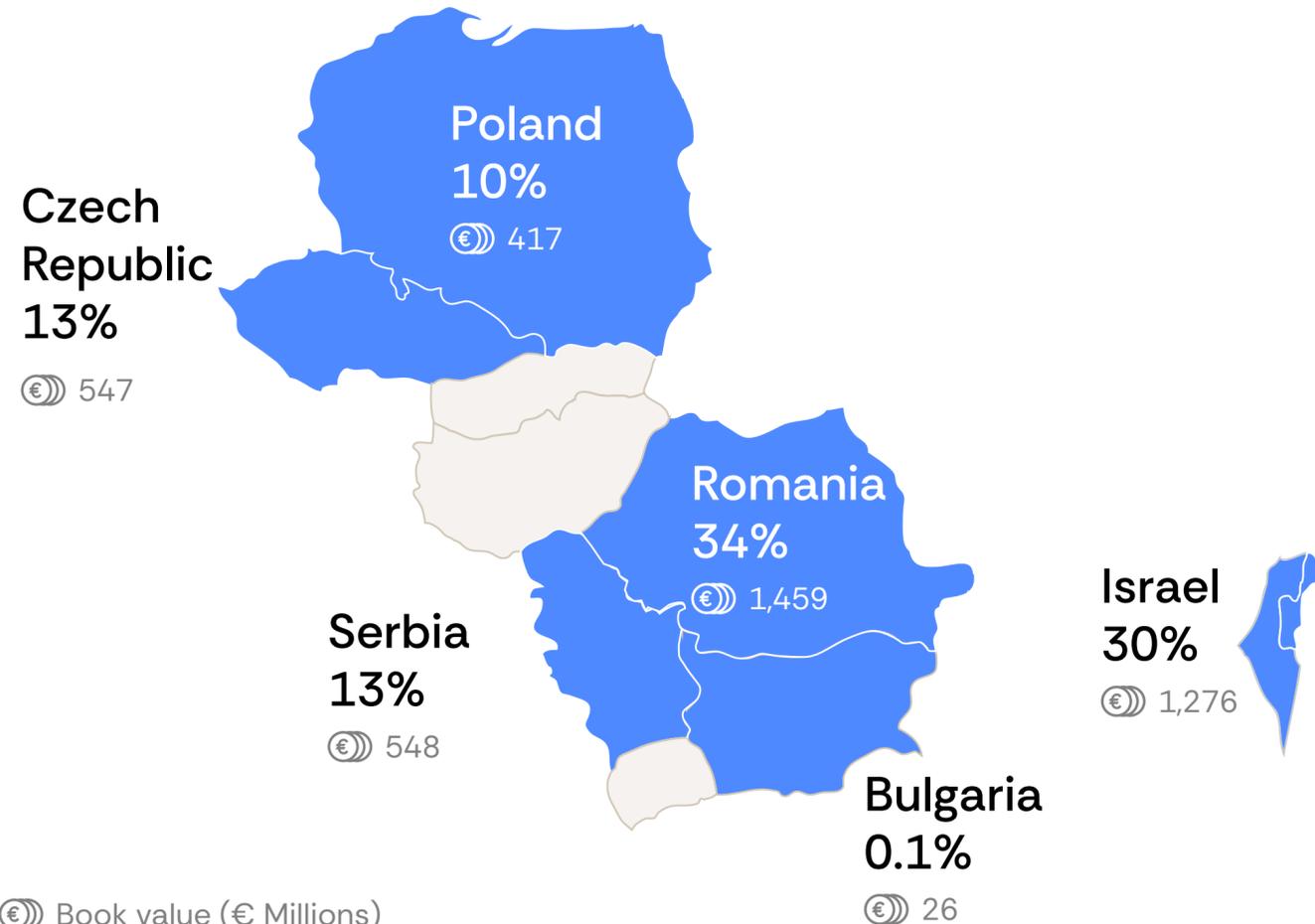


# About AFI Properties Ltd.

AFI Properties Ltd. ("AFI" or "the Company"), together with its subsidiaries, is a leading real estate owner, developer and operator active in Israel and across Central and Eastern Europe (CEE). The Company's diversified portfolio includes business parks and office complexes, shopping malls and retail centers, residential projects for rent and for sale, and mixed-use developments that combine commercial, residential and community functions.

Founded in 1971, AFI expanded into the European market in 1997 and has since solidified its presence through consistent investment and development activity. The Company's shares have been listed on the Tel Aviv Stock Exchange since 2004.

AFI's major shareholder, Big Shopping Centers Ltd., holds approximately 79,9% of the Company's shares (per 31 December 2024), underscoring a long-standing and strategic partnership supported by a robust ownership structure.



## Rating

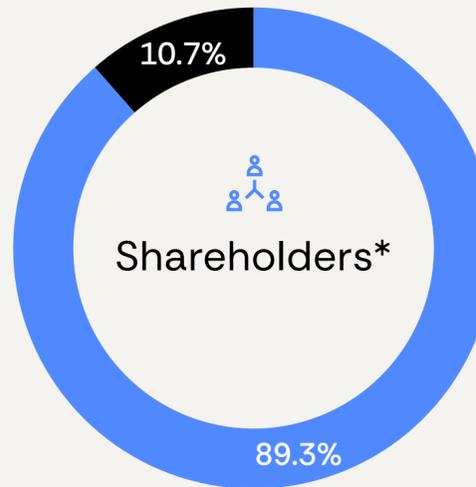
**A1.il** Stable by Midroog (Moody's)

**iIA+** Stable by Maalot (SandP)

Public company since

**2004**

Listed on TA-Real Estate



Big Shopping Centers Ltd.

Public and other institutional investors

\* Based on TASE data as of 04.03.25

**175k**  
sq.m. under construction

Total square meters portfolio

**1,350k**  
sq.m. income generating properties

**7**  
countries

**90%**  
average occupancy rate

**€4,272M**

in total asset value



**€720M**

Residential for rent

**€874M**

Malls and retail

**€2,678M**

Offices

# Message from the CEO

I am proud to present AFI’s second ESG Report, which reflects our achievements in 2024 and reinforces our ongoing commitment to embedding sustainability at the core of our business operations.

The organization made meaningful progress in integrating environmental stewardship, social responsibility and strong governance across our operations. We advanced this ambition through our first Double Materiality Assessment, which provides a clear view of the areas where AFI has the most significant impact, as well as the ESG-related risks and opportunities that may influence our financial performance. This approach enables us to prioritize actions that support our sustainability agenda while strengthening AFI’s long-term value. It also reinforces our responsibility toward the communities, tenants and stakeholders we serve.

A key milestone is the development of AFI’s ESG Framework, designed as a practical and strategic guide for the next three to five years. This framework reflects

the way our organization operates across regions and asset classes and clearly outlines our priorities. In parallel, we established formal ESG governance structures, including an ESG Committee composed of management team members and working groups responsible for driving implementation across all countries in which we operate.

Additionally, we have defined clear pathways for each ESG pillar, including short-term actions, updated internal policies and measurable objectives for each functional group. This collaborative, cross-regional approach enhances the ability of our teams to share expertise, leverage best practices and work collectively toward our long-term ambitions. This culture of collaboration strengthens AFI’s capacity to create meaningful and lasting value.

## Looking ahead

As we move forward the next years, we will continue integrating operational-excellence initiatives into our budgeting and planning processes, ensuring a direct link between financial discipline and reduced environmental impact. We aim to update and enhance our internal policies and introduce stakeholder-focused policies such as Green Leases and a Supplier Code of Conduct, strengthening responsible practices across our entire value chain. Collaboration with our partners will remain essential, as working together enables us to create meaningful and lasting impact.

In the coming years, we will also focus on ensuring that our teams have the resources and tools necessary to collaborate effectively, share insights and build

a unified approach to data quality and completeness. Strengthening these capabilities will enable us to better understand the nuances of our diverse portfolio, support informed decision-making, and ultimately deliver long-term improvements that reduce environmental impact while lowering operational costs for the users of our properties.

Sincerely,



**Avi Barzilay**

CEO, AFI Properties Ltd.

# Determining what matters most

## Building long-term value with high-performing, diversified income-generating assets

AFI is a leading real estate company with a strong international presence and a legacy of more than 30 years, supported by a diverse and highly professional team. Through strategic acquisitions, sustainable development practices and strong internal management capabilities, the company creates secure, comfortable and efficient spaces that contribute to local ecosystems and generate long-term value for tenants, stakeholders and business partners.

To support this long-term vision, AFI conducted a comprehensive double materiality assessment with the support of an external consultancy firm. The assessment follows the methodology outlined in the Corporate Sustainability Reporting Directive (CSRD) and includes a full evaluation of relevant ESG topics

and processes to determine their material significance for the organization. This work enabled AFI to develop a unique ESG strategy, grounded in stakeholder expectations and responsive to current and future sustainability requirements.

### Desktop research

AFI initiated the process with extensive desktop research, including a peer review to understand current market expectations and best practices in ESG reporting within the real estate sector. The research also incorporated requests and requirements from investors, shareholders and financial partners to ensure that all ESG topics relevant to these stakeholders were appropriately considered.

### Value chain assessment

To develop a comprehensive understanding of risks and opportunities, AFI conducted a full value chain assessment. This mapping exercise examined both upstream and downstream activities, providing insights not only into impacts within the company's core operations but also into areas that may influence long-term stakeholder expectations for the quality and resilience of AFI's real estate portfolio. AFI also analysed human right risks across the various stages of its value chain.

### Stakeholder identification and assessment

To ensure independence and objectivity, AFI engaged an external third party to support stakeholder identification and assessment. Qualitative interviews were conducted with a broad group of internal and external stakeholders, including those directly affected by AFI's activities and readers of this ESG report. The qualitative phase was followed by a quantitative online survey, in which stakeholders were asked to prioritize ESG topics from their perspective. This two-step approach ensured that AFI gained a comprehensive understanding of stakeholder needs and expectations.

## Materiality assessment methodology



Operational Excellence



Tenant Connection

Sustainable Developments



Talent and Trust

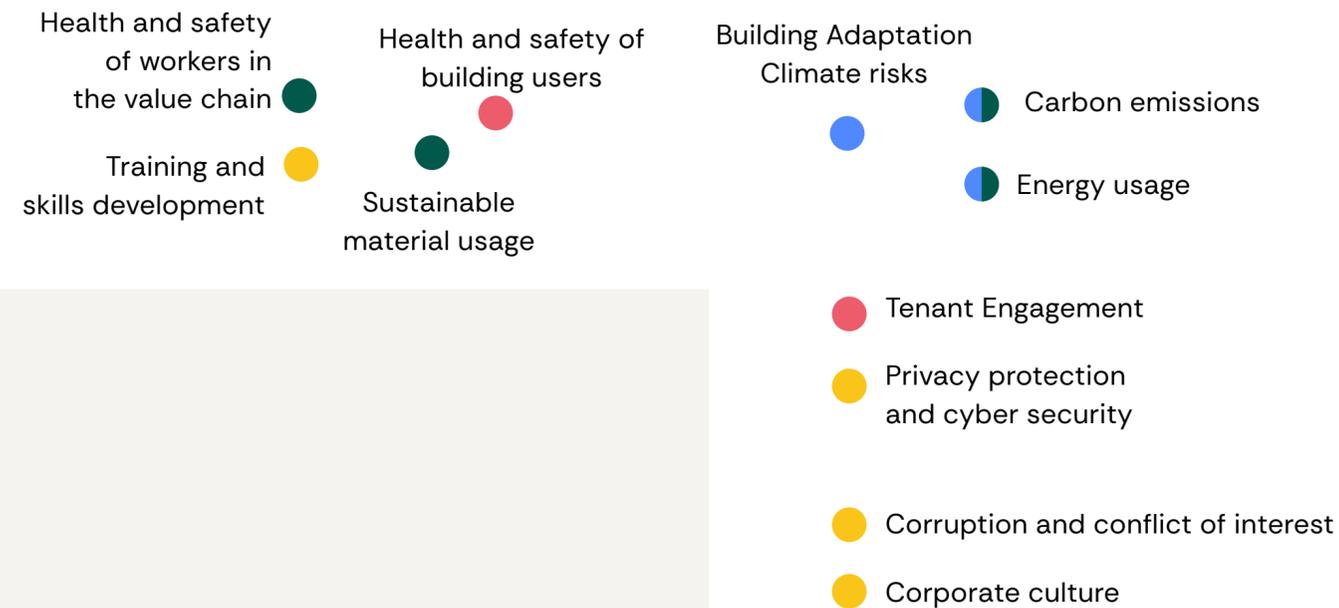


### Impact and financial assessments

The impact assessment examined how AFI’s activities may affect the environment and society from an inside-out perspective. This analysis considered the scale, scope and likelihood of potential impacts, as well as the remediability of negative effects. By evaluating how AFI’s operations, developments and value chain activities interact with environmental and social systems, the company gained a clear understanding of where its activities may create risks or opportunities that require strategic attention.

The financial assessment focused on the outside-in perspective, identifying how ESG-related risks and opportunities may influence AFI’s financial performance over time. This included examining potential impacts arising from climate change, regulatory developments, resource efficiency considerations, and evolving social expectations. The combined outcomes of both assessments were reviewed by the Board of Management, and stakeholder expectations were incorporated into the final conclusions. These results form the foundation of AFI’s materiality matrix and support the development of the company’s long-term ESG strategy.

Impact materiality



## Double materiality matrix

Financial Materiality

# AFI's ESG vision: From assessment to strategy

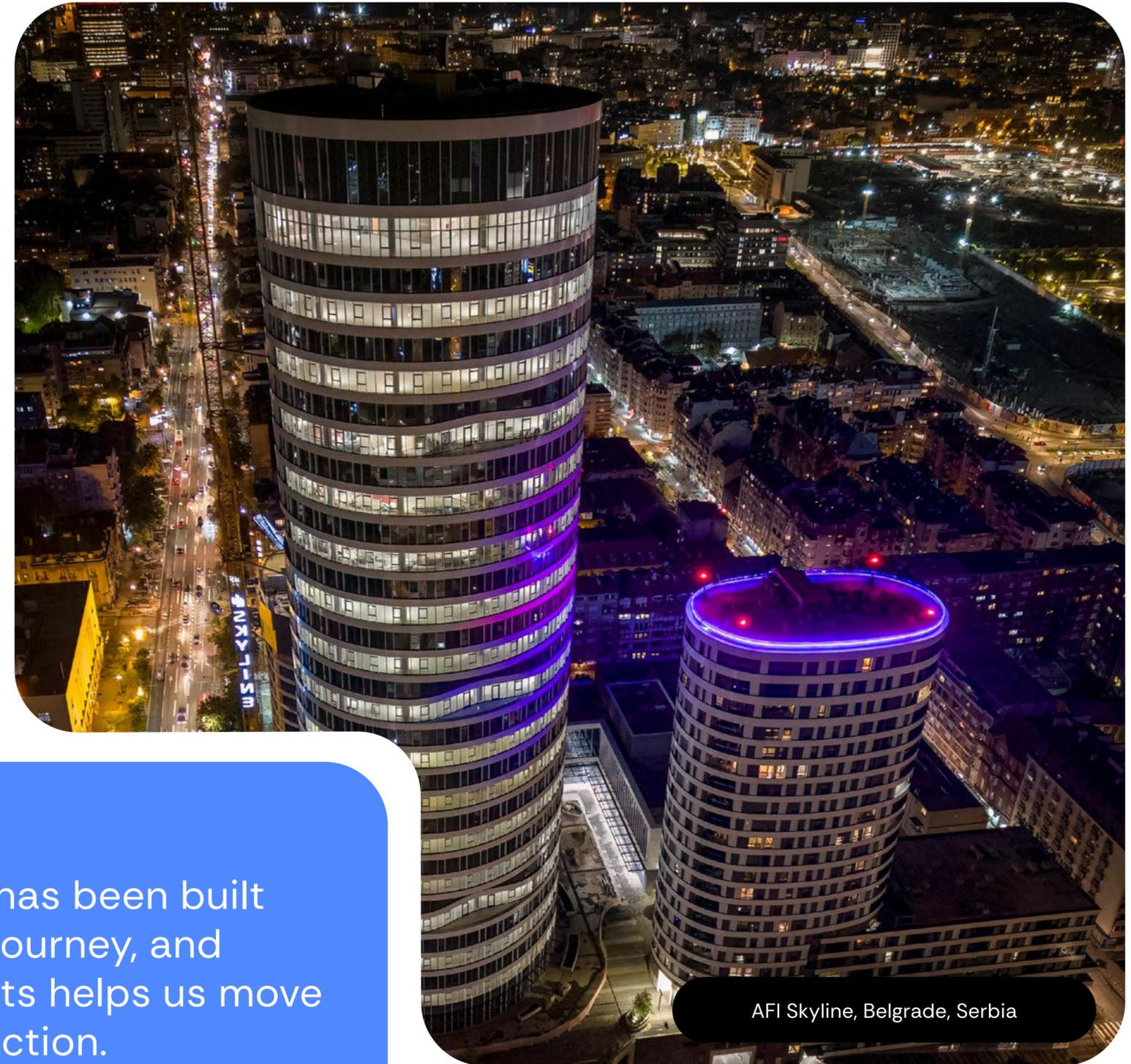
The final list of material topics identified through AFI's double materiality assessment, represents the most significant ESG issues for the Company and forms the foundation of its ESG strategy. By prioritizing these topics, AFI reinforces its commitment to generating long-term value for stakeholders while contributing to sustainable urban development and responsible real estate practices. The material topics will guide AFI's strategic decisions, resource allocation and future reporting, ensuring continuous improvement in ESG performance.

AFI's ESG strategy is built around four pillars, each with defined priorities, focus areas and near-term targets. A multi-year roadmap has been developed to implement these pillars across the organization, supported by clear roles and responsibilities within AFI's ESG governance structure. Progress against each pillar will be monitored and reported regularly to ensure accountability and drive consistent performance improvements.

AFI has set targets under each ESG pillar to ensure our ambitions turn into practical decisions, measurable progress, and real value for the business. These include

commitments such as reducing carbon emissions and energy use, expanding green building certifications, strengthening supplier and construction standards, enhancing tenant engagement, improving health and safety performance and investing in employee skills, ethics and cybersecurity awareness. Together, these targets guide implementation across all properties, in operation and under development, and ensure consistent progress across countries, asset types and stakeholder groups.

Our ESG strategy has been built through a careful journey, and setting clear targets helps us move from planning to action.



AFI Skyline, Belgrade, Serbia

# AFI ESG strategy

## Operational Excellence

Driving eco-efficiency and resilience through smart, sustainable buildings that meet stakeholder needs and adapt to a changing climate.



## Sustainable Developments

Building responsibly with sustainable materials, resilient design, and a strong commitment to health, safety, and long-term value creation.



## Tenant Connection

Partnering with tenants to create inspiring spaces, understand evolving needs, and deliver better experiences across all property types.



## Talent and Trust

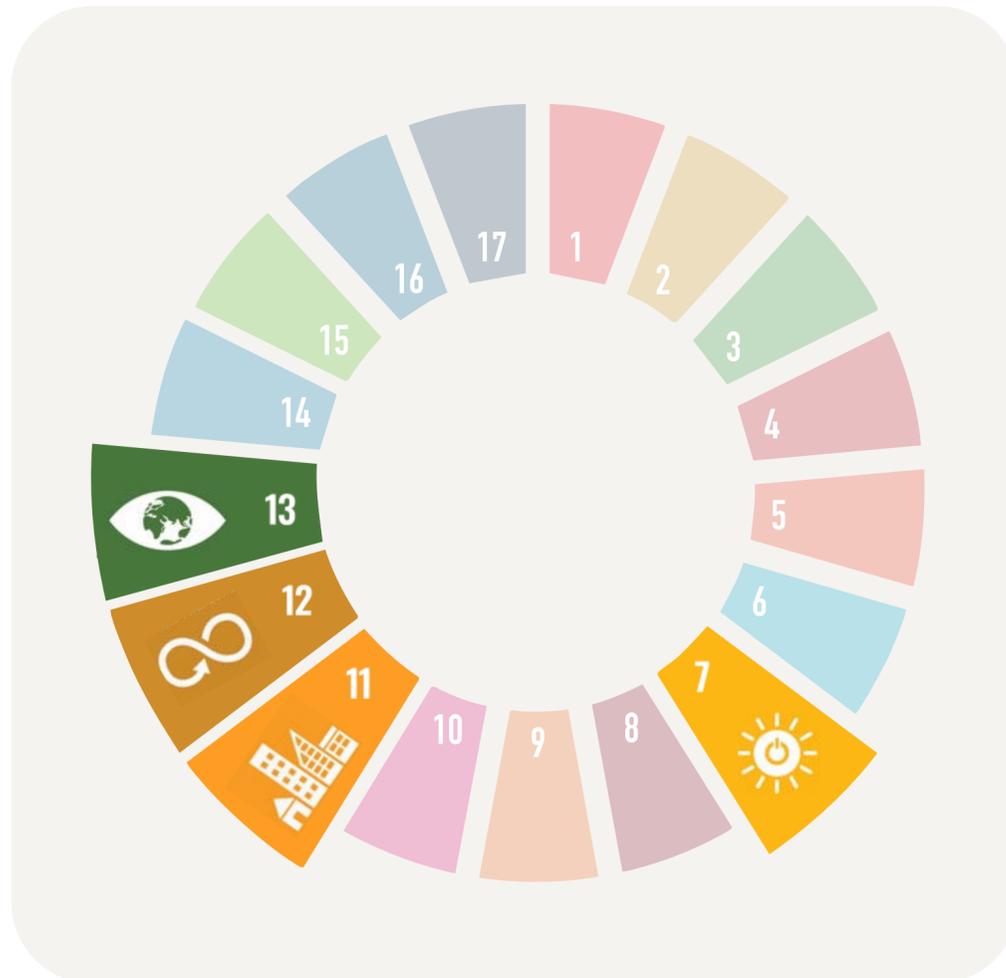
Fostering integrity, accountability, and growth through ethical conduct, transparent practices, and opportunities that develop our people.



# Supporting Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) set a global agenda to address environmental, social and economic challenges.

As a real estate manager, owner and developer, AFI Properties Ltd. plays a key role in advancing these goals through sustainable investments, responsible operations and its workforce. AFI has aligned its ESG strategy with several priority SDGs to help drive meaningful progress across its portfolio and communities.



**AFI works to lower its carbon footprint by improving energy performance and increasing the use of renewable energy across its properties.**

- Increasing procurement of renewable electricity where available in local markets
- Improving energy performance of assets to align with CRREM pathways
- Developing on-site renewable energy projects where feasible
- Expanding advanced metering and energy monitoring systems



**AFI contributes to sustainable, healthy and accessible urban environments through resilient design, mobility solutions and community-focused development.**

- Integrating eco-design features that reduce energy use and emissions
- Conducting climate risk assessments in project planning
- Strengthening resilience plans for higher-risk assets



**AFI supports efficient resource use and reduced waste in development and operations, advancing circular-economy principles.**

- Using certified and low-impact building materials
- Implementing construction and operational waste-reduction programmes
- Supporting circular practices across the value chain



**AFI works to reduce its environmental impact by lowering emissions and improving climate resilience across its portfolio.**

- Implementing energy-efficiency measures across operations to reduce overall consumption and greenhouse-gas emissions.
- Transitioning toward low-carbon energy sources and technologies to accelerate decarbonization and minimize environmental impact.

# Managing ESG across the organization

AFI is committed to embedding its ESG program across all business functions and integrating sustainability into daily decision-making.

ESG is overseen by a dedicated ESG Committee and cross-country working groups that support implementation throughout the organization. This governance framework strengthens long-term resilience, improves operational consistency across countries and helps maintain strong stakeholder relationships based on responsible and transparent business practices.

Since 2023, AFI has taken steps to formalize its ESG governance model, clarifying roles and strengthening accountability. The ESG Committee, composed of the Deputy CEO, the CFO, the VP Legal Counsel and Company Secretary and the Group Operations Manager, guides the development and implementation of the ESG strategy. Its responsibilities include setting priorities, approving policies and budgets, validating performance targets and overseeing emerging ESG risks and opportunities. The Committee also ensures regulatory

alignment and monitors internal controls, while the Management Team maintains direct oversight, approves key decisions and reviews regular updates from the working groups.

To accelerate implementation, AFI has established ESG working groups with representatives from each country, including technical and operational specialists. Two groups were launched in 2025, the Environmental working group and the HR working group. They are responsible for collecting and reporting data, sharing best practices, supporting the rollout of policies, developing action plans and training local teams. The Company has also decided that its legal counsels in the countries will be responsible for corporate governance matters within their respective jurisdictions. This structure creates consistency across regions while allowing actions to be adapted to local regulatory and operational contexts.



## ESG Committee

The leadership team, comprising the Deputy CEO, the CFO, the VP Legal Counsel & Company Secretary, and the Group Operations Manager, oversees the development and execution of the ESG strategy.



## Environmental working group

Formed by technical specialists from across the operating countries, the group drives the implementation of environmental initiatives and oversees environmental reporting across the portfolio.



## HR working group

Composed of employees from multiple regions, the group leads employee-related initiatives and supports harmonized HR reporting, policies and practices across the organization.

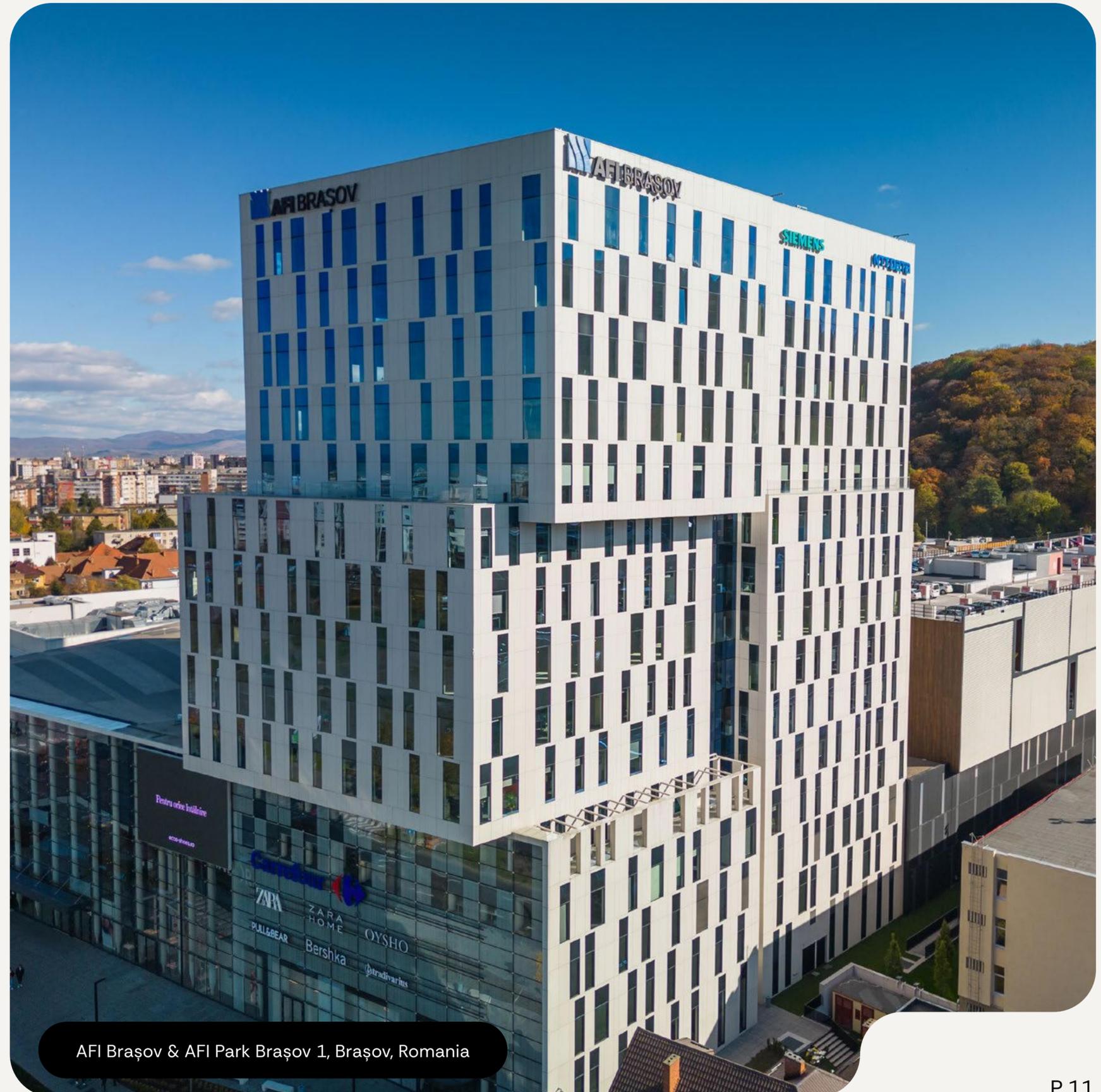


AFI Airport City Belgrade, Serbia

# Operational Excellence

Driving eco-efficiency and resilience through smart, sustainable buildings that meet stakeholder needs and adapt to a changing climate.

AFI works to reduce its environmental footprint by integrating sustainability into everyday operations. The Company focuses on improving energy efficiency, lowering emissions and strengthening resilience to climate risks. Green building certifications support regulatory compliance and meet expectations from tenants, investors and financial partners. The environmental working group, composed of country specialists and advisors, gathers and reviews data to guide decisions and targets, ensuring that initiatives follow clear business logic and show measurable progress.



AFI Braşov & AFI Park Braşov 1, Braşov, Romania

# Energy consumption

Energy consumption is a material topic for AFI because it directly influences operational costs and determines the Company’s ability to meet investor and tenant expectations for sustainable assets.

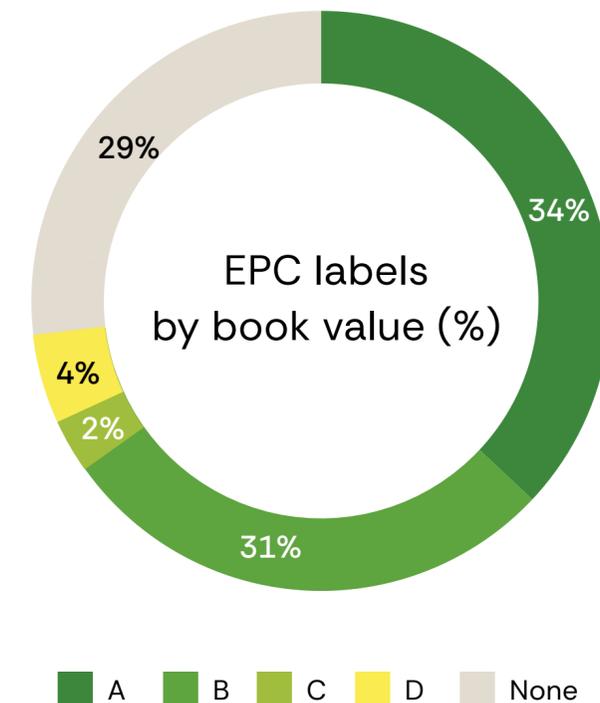
Financial partners increasingly require alignment with the EU Taxonomy and the Paris Agreement, meaning AFI’s properties must demonstrate lower energy use and strong energy-performance certification. In 2024, 68% of the portfolio held sustainable EPC labels, with 34% rated EPC A, reflecting good progress while highlighting the need for continued efficiency improvements.

Although in the past reporting year AFI put a lot of effort in enhancing the data collection and reporting process. A key challenge remains securing reliable and comparable whole-building energy data, especially from tenants, to support accurate analysis and long-term planning. Beginning in 2025, AFI will apply the Carbon Risk Real Estate Monitor (CRREM) pathways to assess alignment with required decarbonization trajectories. In 2024, data coverage reached over 90% across the portfolio, and AFI aims to expand data coverage

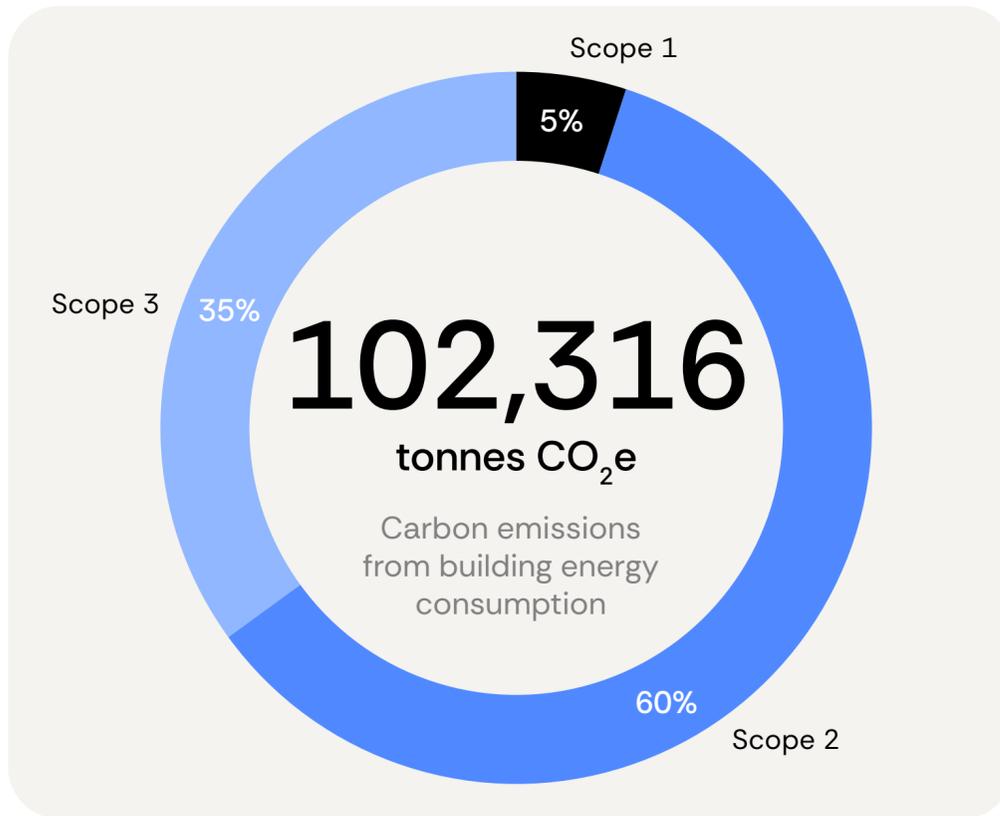
in the next years among others through investments in smart meters, engagement with utility suppliers, enhanced tenant collaboration via green leases and improved data-sharing protocols.

In 2024, AFI’s total energy consumption was 307,298 MWh, with 74% from electricity, 16% from natural gas and fuels and 10% from district heating and cooling systems. Full data coverage will enable AFI to set CRREM-aligned carbon and energy reduction targets by 2026, identifying clear reduction pathways for each property based on its location and asset type.

Energy-efficiency initiatives already exist across the portfolio, and in 2025 most operational assets will introduce dedicated efficiency budgets to meet long-term reduction pathways toward 2050.



Where feasible, AFI teams are investing in on-site renewable energy solutions. In Bulgaria, solar panels installed on AFI-owned land adjacent to the Varna property began operating in October 2024, with a peak power of 1 MWh. This installation reduced grid electricity consumption by roughly 25% due to the use of locally produced renewable energy. The team is now assessing the potential of battery storage to maximize efficiency. Additionally, tenants at another Varna property installed rooftop solar panels generating more than 182 MWh in 2024.



# Carbon emissions

In 2024, AFI advanced its carbon accounting by expanding its footprint assessment beyond Scope 1 and 2 to include major Scope 3 categories, particularly emissions from downstream leased assets, which represent a substantial share of the Company’s total emissions.

AFI’s total greenhouse gas emissions reached 102,316 tonnes CO<sub>2</sub>e in 2024. Scope 1 emissions were 4,704 tonnes CO<sub>2</sub>e, primarily from natural gas and fuel consumption within the real estate portfolio, while emissions from business travel remain minor and will receive lower priority going forward. Scope 2 emissions (location-based) totalled 61,615 tonnes CO<sub>2</sub>e and reflect purchased electricity and district heating and cooling for landlord controlled areas. Serbia procures renewable electricity, and in 2024, 26% of total electricity consumption originated from renewable suppliers, lowering market-based emissions compared with location-based figures. Expanding renewable procurement remains important, as some markets in which AFI operates still rely heavily on fossil fuel-based power generation.

Scope 3 emissions, especially those linked to tenant energy use, form the largest and most complex portion of AFI’s footprint. The Company is

enhancing data-sharing processes with tenants to achieve full building energy data coverage, which is essential for setting accurate, Paris-aligned reduction targets. AFI will apply CRREM pathways from 2025 to establish asset-level carbon intensity targets, enabling each country team to monitor alignment with decarbonization trajectories and address gaps where needed.

In Romania, preparations are underway to certify the entire office portfolio with LEED Zero Carbon. The initiative will use 2025 as the monitoring year, during which all required energy and emissions data will be collected in line with the framework. This certification supports lower carbon intensity by ensuring highly efficient operations, verified renewable energy sourcing and transparent carbon accounting. To meet the standard, the local team will procure Guarantees of Origin and carbon offsets for the full portfolio, planned for early 2026 and aligned with the certification submission.



## Commitment

Set CRREM-aligned carbon and energy reduction targets by 2026

# Green building certifications

Green building certifications are a core element of AFI’s operational excellence approach.

They provide a recognized benchmark for energy performance, resource efficiency, indoor environmental quality and overall sustainability, helping to reduce operating costs and environmental impact. Certified buildings also reflect rising expectations from tenants (especially in the office sector) who increasingly require LEED or BREEAM certifications when selecting space. For investors and financial partners, certifications offer assurance that AFI’s assets are aligned with regulatory requirements, market standards and broader climate commitments, including the EU Taxonomy and the Paris Agreement. In 2024, 59% of AFI’s total portfolio (by book value) held a recognized green building certification, demonstrating the Company’s commitment to maintaining a high-performing, future-ready asset base.

AFI has been an early mover in green certifications in Romania. AFI Park 1 in Bucharest was the first office building in Romania to obtain LEED Gold certification under the Core and Shell system, followed by subsequent AFI Park buildings that helped set a national benchmark for sustainable offices. AFI Romania has since expanded its certified portfolio with projects such as AFI Tech Park and AFI Braşov and AFI

Park Braşov 1, the latter being one of the few mixed-use developments in Europe to achieve LEED Platinum and Gold (Core and Shell). In the existing building segment, AFI Cotroceni, AFI Ploiesti, AFI Park Floreasca, AFI Lakeview, AFI Park Timisoara and AFI Victoriei Plaza hold operational LEED Gold ratings, reflecting AFI’s focus on both development and operational performance.

In Serbia, AFI’s office portfolio has consistently been developed to LEED Gold standards. All major AFI Serbia office projects carry LEED Gold certification, demonstrating a structured approach to sustainable design and operation. Airport City Belgrade, one of the country’s leading business parks, holds an operational LEED Gold certification and incorporates efficiency measures related to water use, air quality, and reduced waste and emissions. Newer developments such as AFI City Zmaj and Skyline AFI Tower have also been designed to meet LEED Gold requirements, integrating energy-efficient systems and sustainable materials to support long-term asset performance.

In Czech Republic, AFI maintains a strong portfolio of certified sustainable buildings, demonstrating its ongoing



commitment to high environmental performance. The AFI Vokovice office complex in Prague is LEED Platinum certified, reflecting advanced energy-efficient design, responsible material use and superior operational performance. Classic 7 Business Park holds a BREEAM New Construction Excellent certification, reinforcing AFI’s leadership in sustainable office development in the region. In addition, several operational assets continue to strengthen their performance through recognized In-Use standards: AFI Avenir currently holds a valid BREEAM In-Use Excellent certificate.



## Looking ahead

AFI aims to increase the share of certified assets across its portfolio and align these efforts with its decarbonization and operational excellence objectives. This commitment will guide decisions for both existing assets and new developments, including upgrades, refurbishments and acquisitions, ensuring AFI maintains a resilient, efficient portfolio aligned with stakeholder expectations and regulatory requirements.



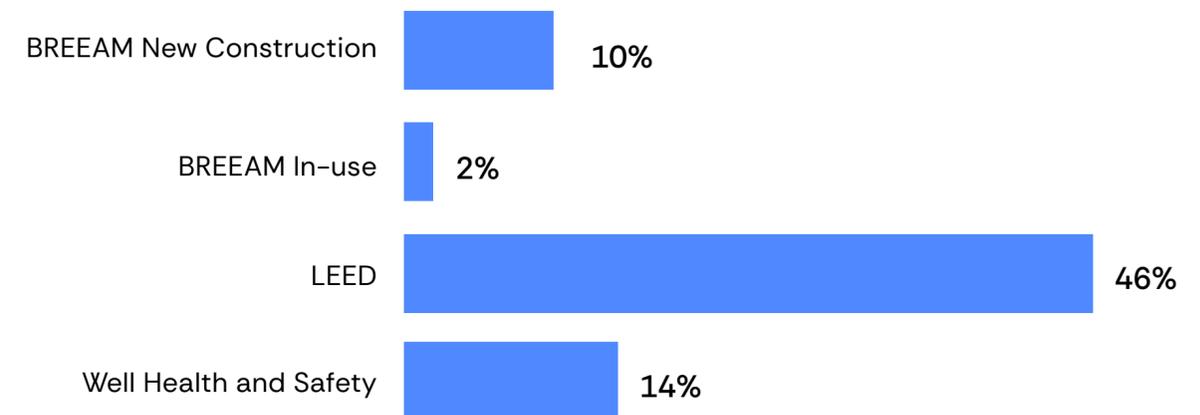
**V.Offices**  
Kraków, Poland



AFI manages some of the highest-rated certified buildings in Central and Eastern Europe.

V.Offices in Kraków, managed by AFI, achieved in 2021 a BREEAM International New Construction Outstanding with a score of 98.8%, the highest score for an office building in Poland. The building has been recognized in international BREEAM Awards as one of the best ecological projects in the region, underlining AFI's role in driving market standards for sustainable offices. AFI's Polish portfolio also includes residential schemes certified under BREEAM, including projects reaching BREEAM Excellent, positioning the Company as a market driver for sustainable residential development in Poland.

### Green building certifications (% of book value – standing investments)



# Climate change adaptation

Climate change presents financial and operational risks for AFI and is therefore central to the Company's long-term resilience planning.

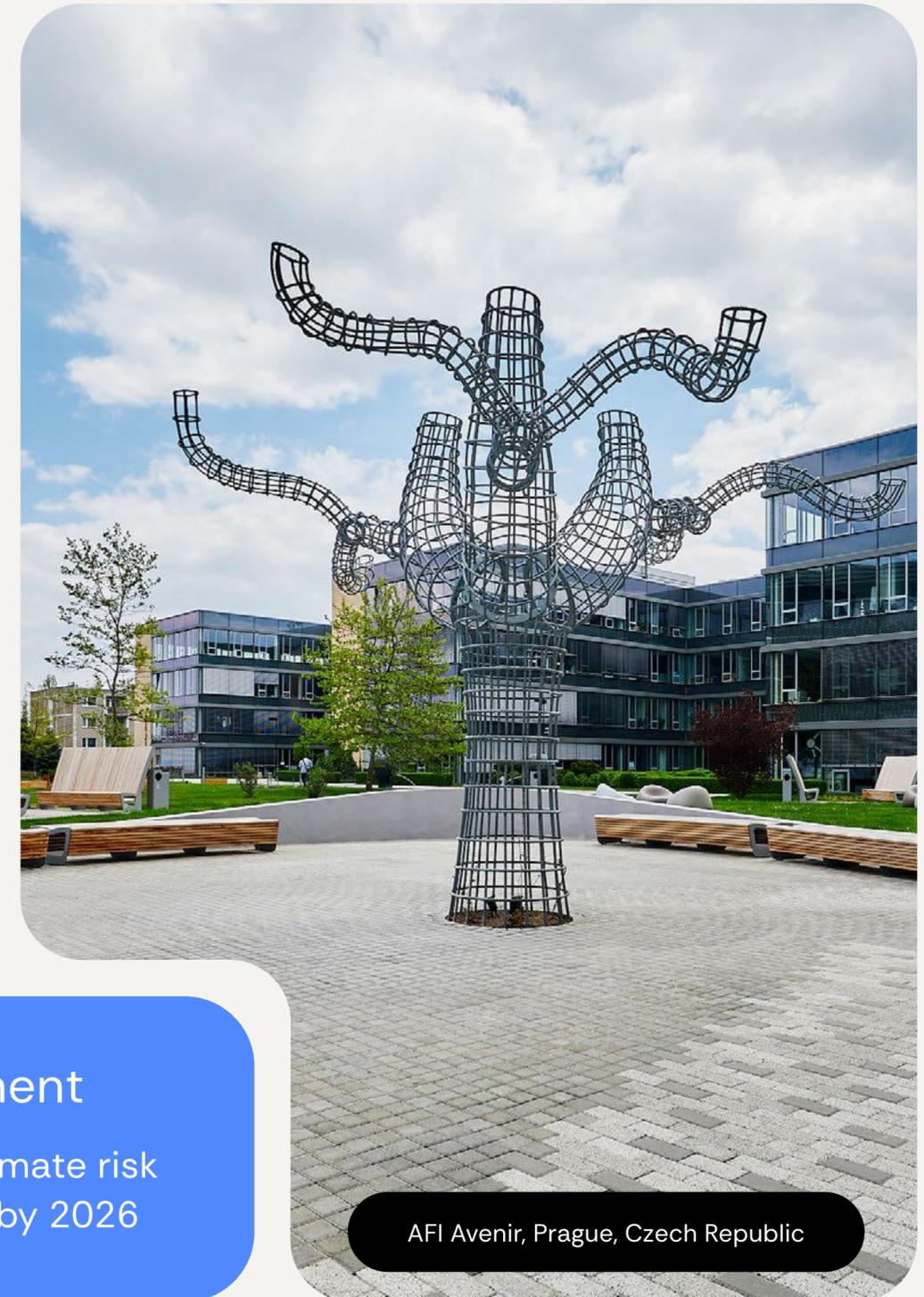
Operating across multiple geographies exposes AFI to hazards such as extreme heat, intense rainfall, flooding, storms and rising energy costs linked to the low-carbon transition. These risks can affect asset value, continuity of operations and insurance costs. AFI also recognizes its responsibility to limit environmental impacts by reducing emissions and designing buildings that remain efficient and safe under changing conditions. Strengthening climate resilience supports financial stability, protects tenants and communities and ensures AFI continues to meet regulatory, investor and stakeholder expectations.

The ESG Committee oversees climate strategy, monitors emerging risks and ensures that climate considerations are embedded in decision-making. AFI's approach focuses on strengthening portfolio resilience, reducing emissions and improving energy performance. The Company aims to conduct a group-wide climate-risk assessment to evaluate physical risks such as extreme heat, storms, flooding and water stress,

as well as transition risks related to regulations, carbon pricing and evolving market expectations. Key metrics include carbon emissions and carbon intensity, the number of assets with high climate-risk exposure and the share of properties with adaptation plans in place. AFI also intends to set Paris-aligned carbon reduction targets in 2026, supporting long-term climate resilience

At the asset level, AFI strengthens climate resilience through recognized certification frameworks. Avenir Business Park in Prague holds BREEAM In-Use Excellent for Asset Performance, which includes an assessment of climate-related hazards such as flooding, storms, high winds, extreme heat, drought, water scarcity and potential utility disruption. The evaluation confirmed that the property sits on elevated terrain above the Prokopské Valley Nature Park, limiting flood exposure mainly to minor rainwater accumulation, which a dedicated study found to be low risk. To address rising temperatures, the Czech team has implemented green roofs,

external shading and upgraded chillers and cooling compressors designed for higher summer temperatures, improving thermal comfort and reducing cooling demand. Assessments also confirmed that strong winds or tornado conditions pose minimal operational risk due to the absence of sensitive rooftop equipment. These measures reflect AFI's proactive approach to safeguarding assets, occupants and operations as climate conditions evolve.




**Commitment**  
Complete climate risk assessment by 2026

AFI Avenir, Prague, Czech Republic

# Environmental topics with limited materiality



## Waste management

AFI prioritizes sustainable waste management, focusing on reducing waste generation, improving recycling rates and promoting resource efficiency. This approach supports circular-economy principles by optimizing resources and minimizing environmental impact.

Where AFI is directly responsible for waste collection, office properties have implemented waste-reduction and recycling programs that support resource recovery and limit landfill disposal.

AFI also takes steps to gain more insight in collected waste for both landlord and tenant areas and reduce tenant-generated waste. Buildings are equipped with designated recycling areas to ensure convenient access for tenants and waste-handling teams. Hazardous waste, including batteries and electronic devices, is managed through established procedures for safe collection, storage and disposal, ensuring compliance with regulations and reducing environmental risk. AFI further engages tenants through clear guidelines, and operational support, helping them adopt effective waste-management practices.

In 2024, over 6,308 tonnes of waste were collected across AFI's properties. Despite progress, challenges remain in several regions where local waste-management infrastructure is underdeveloped, limiting opportunities for advanced sorting, recycling and vendor selection.

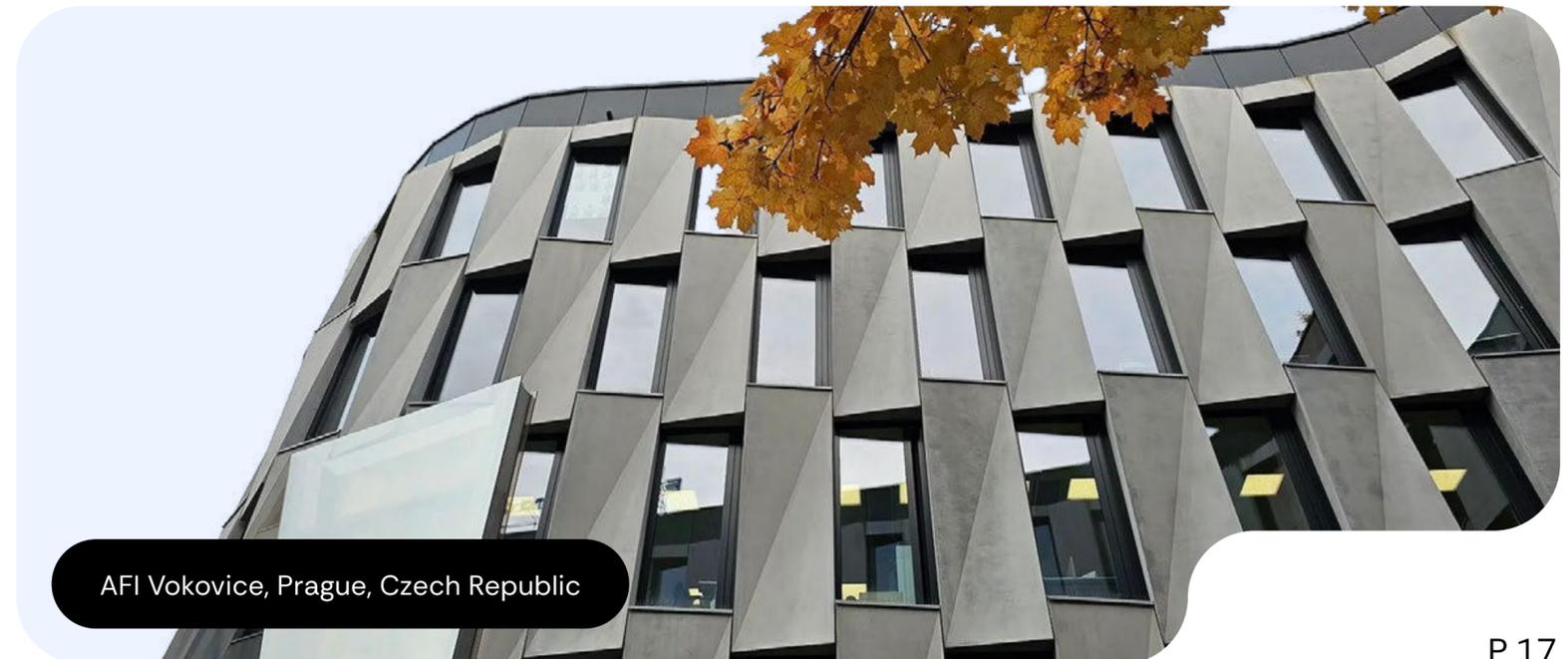
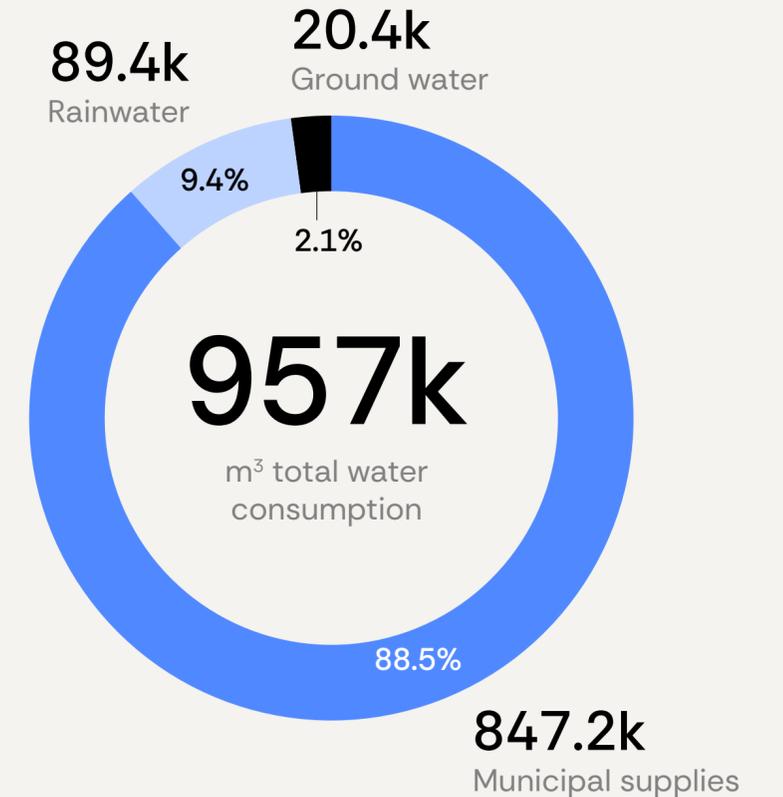


## Water conservation

AFI prioritizes water conservation and efficient water use as part of its broader commitment to responsible property management. The Company implements water-management practices wherever feasible to support environmental stewardship, ensure regulatory compliance and contribute to key global certifications such as LEED and BREEAM. In 2024, over 956,920 m<sup>3</sup> of water were consumed across the portfolio. A key objective for 2025 onwards is to improve data coverage, enabling more accurate benchmarking and early identification of high-consumption assets. Following the climate-risk assessment, AFI will also ensure that water-conservation plans are closely monitored at assets located in regions with high drought exposure.

6,308

tonnes of waste collected

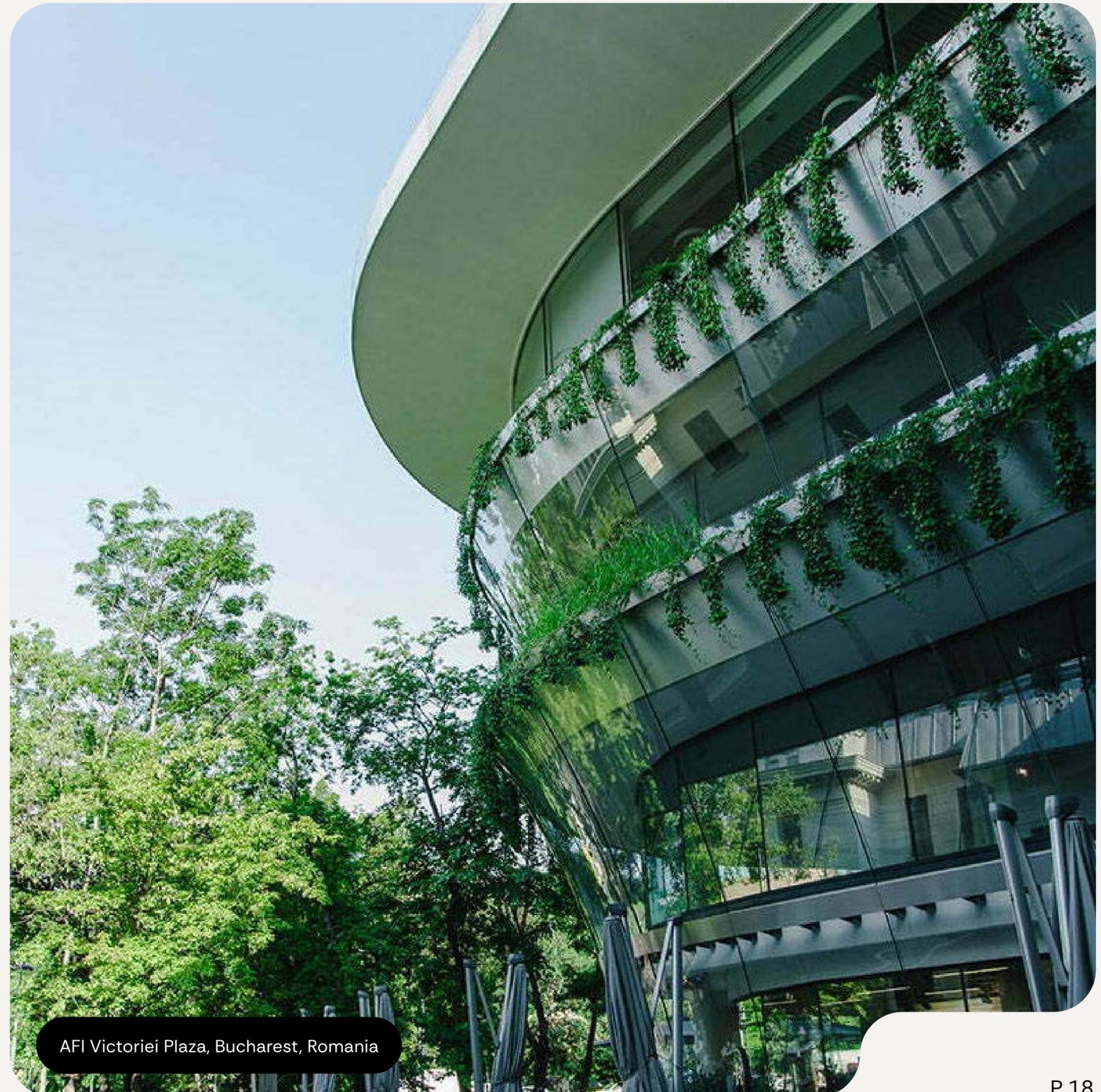


AFI Vokovice, Prague, Czech Republic

# Sustainable Developments

Building responsibly with sustainable materials, resilient design, and a strong commitment to health, safety, and long-term value creation.

AFI integrates sustainability into every stage of the development process, from planning and design to construction and handover. This pillar focuses on selecting sustainable materials, reducing embodied carbon, ensuring responsible construction practices and applying internationally recognized green building standards. Through these efforts, AFI aims to future proof its developments, strengthen asset resilience and support the wellbeing of occupants, contractors and communities.



AFI Victoriei Plaza, Bucharest, Romania

# Sustainable material usage for (re)developments

Sustainable development begins with understanding and managing the environmental impact of the materials used to construct new assets and redevelop existing ones.

AFI is committed to reducing embodied carbon by tracking and evaluating the materials used across its projects and integrating life cycle thinking into design and procurement. As every new project becomes part of AFI's long-term standing investment portfolio, aligning development activities with long-term efficiency targets is essential. All new developments must therefore comply with energy and carbon intensity pathways consistent with the CRREM methodology and aligned with the objectives of the Paris Agreement.

AFI promotes circular-economy principles by reducing, reusing and recycling materials wherever possible. Waste-management plans are implemented on construction sites to enable material separation, recycling and diversion from landfill. Recycled and locally sourced materials are prioritised to reduce environmental impact and support local economies. Sustainable material selection is guided by life-cycle performance, including the use of materials with recycled content or environmental product declarations, ensuring that construction choices contribute to reduced embodied carbon and resource use.



## Commitment

Ensure all major developments achieve green building certification



## Building Certifications

AFI is committed to integrating sustainability into its developments by aligning project design, construction and delivery with leading green building standards such as LEED and BREEAM. These certifications ensure that each project incorporates energy-efficient design, reduces environmental impact and provides healthier spaces for occupants.

AFI collaborates with accredited consultants and sustainability specialists to implement efficient building systems, optimise performance and achieve high scoring across certification categories. All new buildings and major refurbishments are designed to meet near Zero Energy Building (nZEB) requirements in line with EU regulations, reducing operational energy consumption and associated carbon emissions from the outset.



AFI Home North, Bucharest, Romania



# AFI Loft

Bucharest, Romania

AFI Loft is a new top-quality office building created by AFI Romania. It earned a LEED Platinum rating during construction, showing high performance in energy use, materials, and indoor air quality.

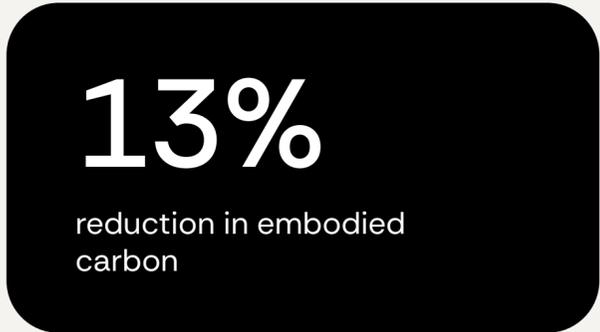
Built directly above AFI Cotroceni shopping center, Romania's largest shopping mall, the building offers premium workspace on two levels, with natural-light atriums, lounge and coworking areas, and a 350 square metres outdoor terrace. Its technical features (like a four-pipe HVAC system, a fully glazed façade, LED lighting, electric vehicle chargers, and bicycle facilities) help provide comfort, easy public access, and low-carbon operation.

A key component of AFI Loft's LEED strategy was reducing the environmental impact of the materials used. This was done through careful material choices and a Whole Building Life Cycle Assessment, following LEED v4 Core and Shell standards. The study looked at the building's full impact, from extracting raw materials to the end of its life, and showed that AFI Loft cut embodied carbon by more than 13% compared to the original design.

To achieve this, the project used recycled materials, locally sourced products to cut transport emissions, low-VOC and formaldehyde-free finishes, and recycled steel and concrete. Many materials also came with verified environmental and health certifications. Construction practices further supported sustainability, with 97% of construction waste recycled or reused instead of going to landfill.

AFI Loft also integrates many features that lower the building's carbon emissions during operation. It achieved almost 24% reduction in energy costs and 32% reduction in energy use compared with the baseline design. This was made possible by advanced energy monitoring, enhanced system checks, and the purchase of green power and carbon offsets. On-site renewable energy systems supply about 70% of the building's total energy needs.

Together, these efforts make AFI Loft one of Bucharest's most advanced low-carbon office developments.



## Skyline AFI Tower is a modern, high-performance Class A office building in the mixed-use Skyline Belgrade complex.

It earned a LEED Gold certification thanks to its sustainable design, which includes energy-efficient systems, advanced glazing, modern HVAC technology and the use of natural materials. The tower offers flexible office layouts across 31 floors, double-height terraces every five floors and fresh-air systems that improve indoor air quality.



Located at a key entry point to central Belgrade, the building is easy to reach and well-connected to nearby homes, shops and public areas.

With six levels of underground parking and quick access to major transport routes, Skyline AFI Tower provides tenants with sustainability, comfort and strong connectivity.

**31** floors with a flexible office layout across

**6** levels of underground parking

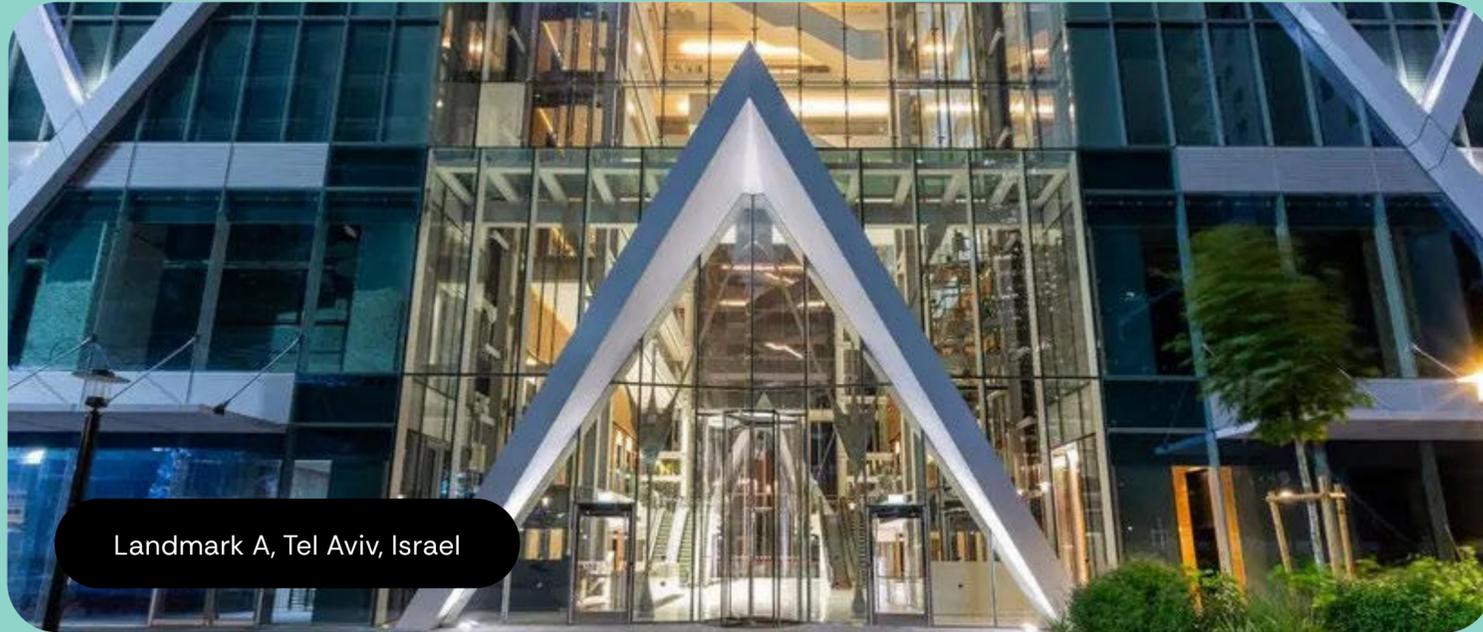
 Double-height terraces every 5 floors

 Fresh-air systems that improve indoor air quality



# AFI Home Skyline

Belgrade, Serbia



Landmark A, Tel Aviv, Israel

The main contractor for Landmark A implemented comprehensive health and safety measures to manage site risks and protect workers throughout the development. The construction site was equipped with temporary lifelines, harnesses, work ropes, safety glasses, gloves and fall-protection barriers on every floor and around open shafts. Safety oversight was reinforced through an annual safety plan, semi-annual inspections of lifting equipment, mandatory height-training and completion of Form 18G for workers using suspended scaffolds and lifting platforms. Daily briefings, morning crane inspections, twice-daily site checks and regular audits ensured continuous control of safety conditions.

Clear worker protection procedures were established to ensure all personnel understood required protocols. Each worker received onboarding in their own language, watched

translated safety videos and signed a declaration confirming familiarity with site rules.

An external dedicated safety officer defined procedures, approved arrangements, conducted inspections and led incident investigations. AFI additionally appointed an independent safety consultant to perform monthly reviews and provide external oversight. Near-miss and incident reports were submitted monthly to the supervision team, supporting learning and continuous improvement across the value chain.



## Commitment

Formalize and roll out a Supplier Code of Conduct across the portfolio by 2026

# Health and safety of workers in the value chain

AFI aims to ensure that all its development work is carried out responsibly, safely, and in line with the highest ethical and environmental standards.

As a company working with numerous contractors, suppliers and subcontractors across multiple geographies, AFI recognises the importance of maintaining a supply chain that operates with integrity and prioritises worker safety. Embedding strong health, safety and sustainability expectations across the value chain helps reduce operational risk, protect workers and support AFI's long-term ambition to deliver sustainable developments.

To strengthen this approach, AFI will introduce a formal Supplier Code of Conduct in 2026, applicable to all new vendor and supplier contracts across the portfolio. The Code will define expectations regarding ethical business practices, regulatory compliance and responsible labour standards. It will also establish environmental and climate-related requirements to ensure alignment with AFI's broader sustainability strategy. Through this framework, AFI aims to foster consistent practices across its supply chain and support continuous improvement among its partners.



# AFI Park Braşov 2

Braşov, Romania

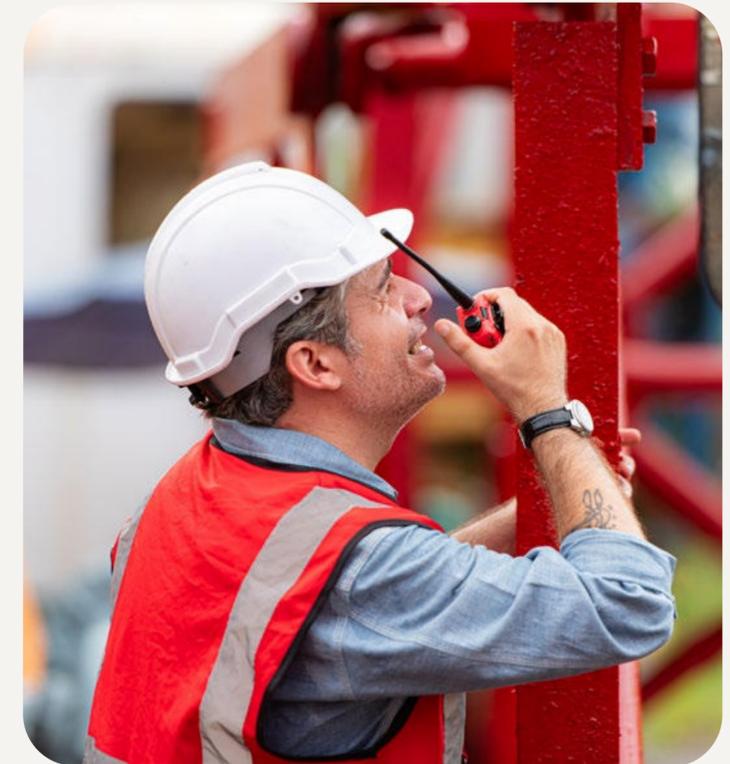
## Ensuring safe work practices across the value chain

The development of AFI Park Braşov 2, which officially commenced in January 2025, is supported by a structured Health and Safety framework designed to ensure safe working conditions across all phases of construction. AFI prepared a comprehensive Health and Safety plan detailing the safety requirements that the general contractor must implement, covering collective protection measures, site access protocols and enforcement of safety rules. An AFI Project Manager works closely with the contractor to coordinate these measures, while an AFI-appointed Health and Safety Supervisor is present on site five days a week. The Supervisor participates in site meetings, conducts regular inspections and issues weekly reports on good practices, non-conformities and required follow-up actions.



The general contractor working at AFI Braşov is fully responsible for developing an Health and Safety plan aligned with AFI's requirements and ensuring that all subcontractors comply with the same standards. The contractor holds ISO 9001, ISO 14001 and ISO 45001 certifications, demonstrating robust systems for quality, environmental management and occupational health and safety.

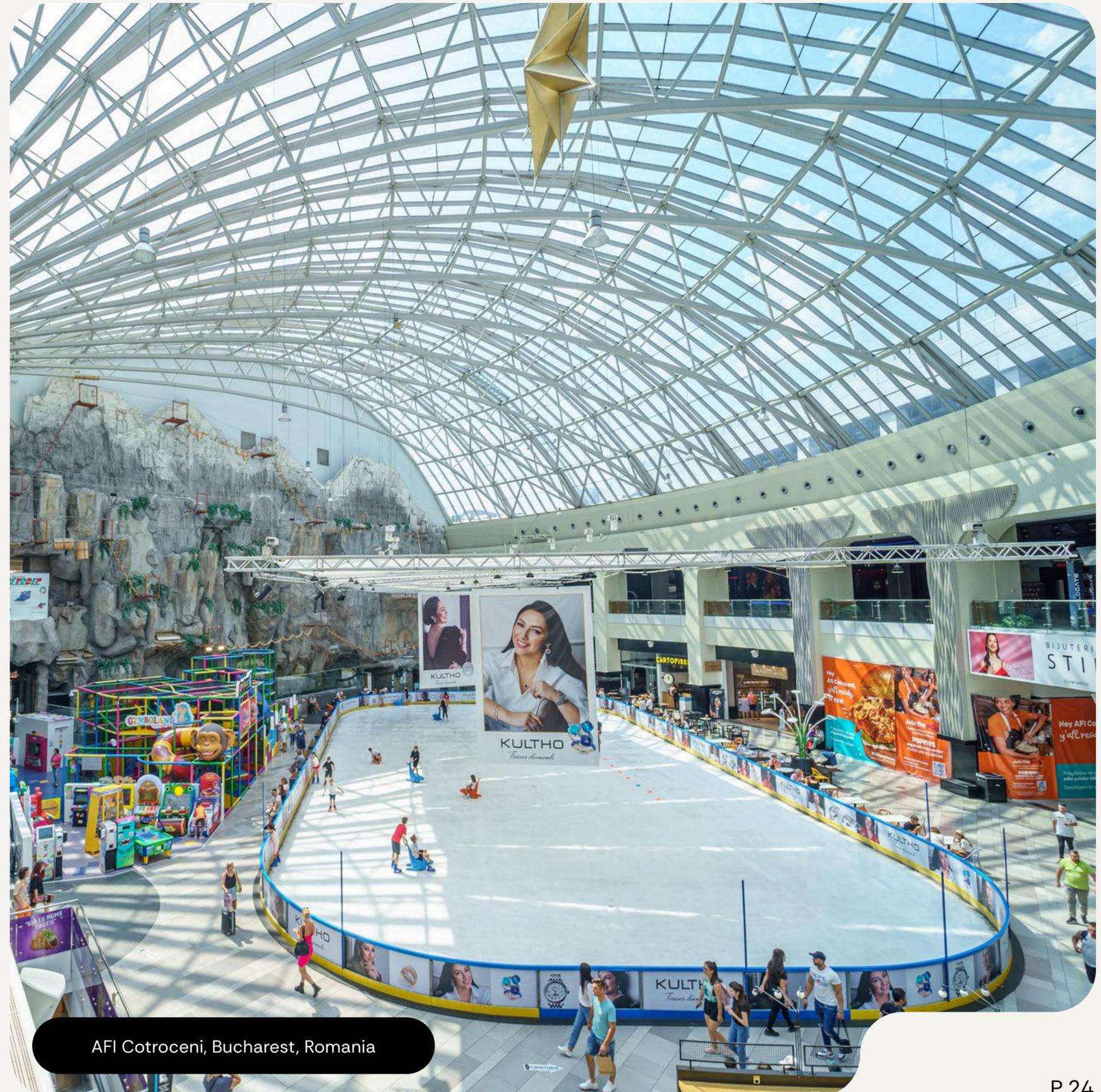
A certified Health and Safety Officer is present on site daily and has issued work instructions tailored to the specific construction activities. While Romanian legislation requires the recording of only accidents resulting in injury or technical incidents (and does not mandate tracking near misses) the contractor documents all legally required metrics. This structured collaboration between AFI, the general contractor and on-site safety specialists helps maintain a controlled and compliant working environment throughout the development of AFI Park Braşov 2.



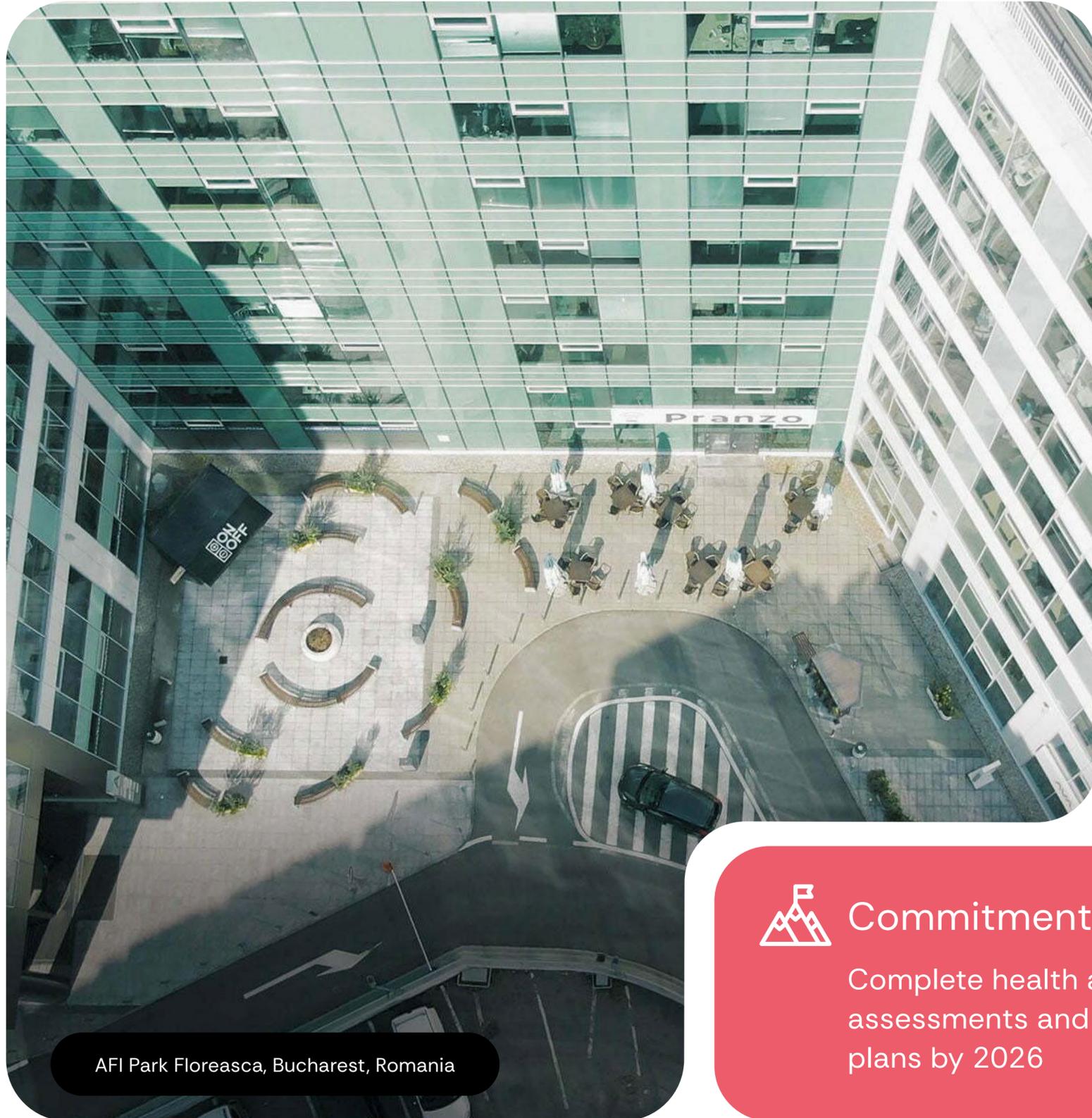
# Tenant Connection

Partnering with tenants to create inspiring spaces, understand evolving needs, and deliver better experiences across all property types.

AFI supports more than 3,700 tenants across residential, retail and office assets, building long-term relationships through safe, healthy and engaging environments. We focus on understanding tenant expectations, improving user experience and promoting responsible resource use, while strengthening communication and using feedback tools to guide improvement. Health and safety remain central, supported by the WELL Health-Safety Rating across the portfolio



AFI Cotroceni, Bucharest, Romania



# Health and safety of building users

AFI prioritizes the health, safety and wellbeing of all building occupants and has implemented the WELL Health-Safety Rating across its entire Class A office portfolio in Romania since 2022.

This achievement positions AFI as a regional leader in providing people-centric, environmentally responsible spaces that support the physical and mental wellbeing of tenants and visitors. The WELL Health-Safety Rating, developed by the International WELL Building Institute (IWBI), focuses on operational policies and maintenance protocols related to air and water quality, cleaning, emergency preparedness, health services and communication practices.

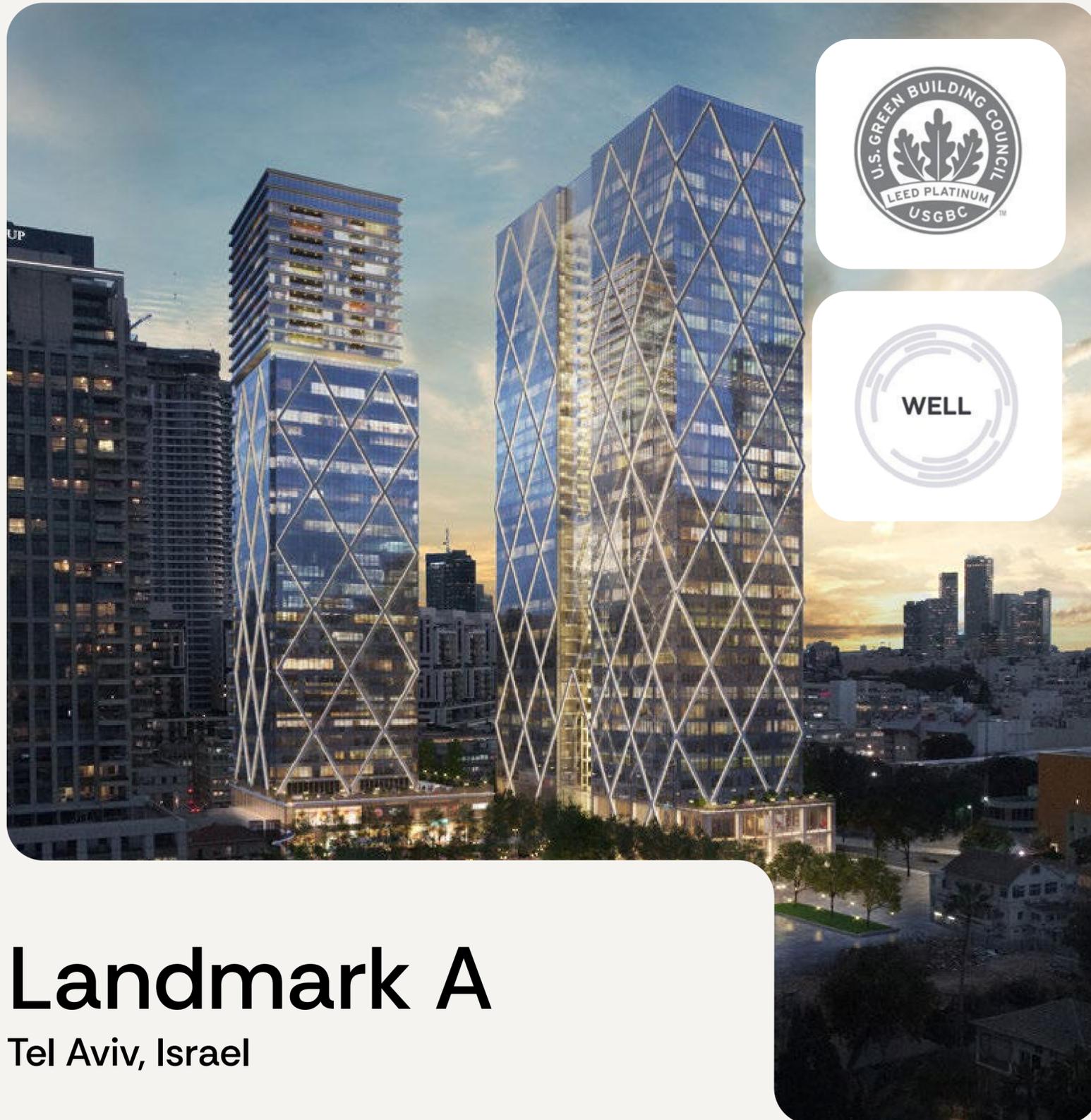
AFI has achieved the WELL Health-Safety Rating across 16 office locations using unified operational policies, surpassing the required minimum of 15 features. Positive results include enhanced cleaning protocols, strengthened emergency preparedness measures, improved air and water quality management and comprehensive stakeholder communication to support healthy behaviours.



## Commitment

Complete health and safety assessments and action plans by 2026

AFI Park Floreasca, Bucharest, Romania



# Landmark A

Tel Aviv, Israel



## Advancing wellbeing through modern property design

Landmark A (Israel), a JV project with 50% holding in total 105,000 sqm of offices, cultural and retail spaces across two 40-storey towers. Landmark A was delivered in Q2 2024. Landmark B is currently under construction and comprises 55,000 sqm of office, retail, and residential space for sale. The project is expected to be completed between 2026 and 2027. The project's design prioritises sustainability, urban integration, and resource-efficient building systems. Landmark A has achieved LEED Platinum and WELL Platinum certifications, demonstrating both environmental and health-focused performance. The project incorporates advanced facade systems, high-efficiency HVAC technologies and extensive natural-light optimization to reduce operational energy use.

Achieving WELL Platinum demonstrates AFI's commitment to creating healthy, people-centred environments. The WELL Building Standard focuses on how buildings support human health through air and water quality, comfort, lighting, movement and mental wellbeing. For Landmark A, this results in improved indoor air quality, access to natural light, enhanced ventilation and materials and amenities that promote comfort and productivity. WELL certification also requires ongoing monitoring and clear communication to maintain safe, healthy conditions. Through these measures, Landmark A provides a workspace that supports long-term wellbeing and enhances the daily experience of its occupants.



# 105k

sq.m of office, retail, residential, cultural and leisure spaces

## 2025 Award Best Tall Building

by Region, Middle East & Africa



## 2025 Award of Excellence

# Tenant engagement

As key stakeholders, tenants played an important role in shaping the outcomes of the double materiality assessment.

Their perspectives were integral to identifying and prioritizing material topics, ensuring that the strategy reflects both operational realities and occupant needs. To capture these insights, a selected group of tenants participated in targeted interviews, providing valuable input on issues ranging from service quality and resource efficiency to broader ESG expectations. Their contributions helped ensure that the final assessment and resulting strategy are grounded in the experiences and priorities of those who interact with the properties every day.

For most office and retail tenants, environmental aspects matter primarily when they have a clear impact on comfort, operational reliability, or cost. Energy efficiency is therefore one of the most relevant issues, as lower consumption can reduce service

charges and help keep operating expenses predictable. Indoor environmental quality (such as good ventilation, stable temperatures, and adequate natural light) also ranks highly, as it directly influences employee comfort or the customer experience.

Building certifications, while not always a strict requirement, are increasingly expected by tenants, because they provide an independent indication that the property meets recognised performance standards. For many tenants, certificates serve more as a practical assurance of building quality and regulatory compliance than as a primary environmental ambition. Overall, tenants value environmental features when they contribute to a well-managed, cost-effective, and comfortable building.

AFI maintains open communication with tenants through multiple feedback channels, including dedicated email addresses, social media platforms and on-site reporting systems to ensure that tenants can report concerns and access information in a timely and transparent manner. Feedback data is monitored to identify recurring issues, strengthen service quality and inform continuous improvement. AFI also conducts tenant surveys across selected properties and monitors key service-level indicators to ensure that engagement channels remain accessible, responsive, and aligned with tenant needs. Going forward, deeper collaboration with tenants will increasingly support broader ESG objectives, including initiatives that promote resource efficiency.

# 3,700

tenants across AFI's residential, retail and office portfolio



## Commitment

Track tenant engagement annually



AFI Tech Park, Bucharest, Romania



Savyone Gilil Yam, Herzliya, Israel



Strengthening community connections

In 2024, AFI strengthened its community outreach efforts in Israel through a series of initiatives designed to promote inclusion, wellbeing and stronger local connections. The Company participated in programs supporting children and young adults with special needs, taking part in ceremonies, meeting families and maintaining ongoing personal contact to reinforce appreciation, belonging and year-round support. AFI also organized seasonal activities, including distributing holiday packages, hosting festive gatherings at its offices and sending small tokens of care during major holidays to foster a sense of connection and recognition.

Beyond these initiatives, AFI contributed to community wellbeing through facility

improvements and local engagement projects. The Company renovated living quarters at Beit HaHayal in Ra'anana, including purchasing new beds to enhance comfort for residents. In its rental housing communities in Shoham, Herzliya and Bnei Brak, AFI delivered holiday packages to tenants, helping build stronger relationships and fostering a sense of community across its residential portfolio.

In addition, the Company launched a unique corporate giving program, under which each employee received an allocated amount to donate to a non-profit organization of their choice. This initiative empowered employees to take an active role in AFI's community engagement efforts and strengthened the Company's culture of social responsibility and personal contribution.

# Community engagement

As a long-term real estate investor, our activities have a direct influence on the communities in which our assets are located.

While our primary responsibility is to manage and develop high-quality, compliant, and economically viable properties, we recognise that our decisions also shape the everyday experience of tenants, visitors, and local stakeholders. Our approach to community engagement focuses on maintaining constructive relationships, supporting local well-being, and ensuring our properties contribute positively to their surroundings.

Our property management teams work to ensure that areas surrounding our properties remain clean, safe, and functional. By maintaining façades, outdoor spaces,

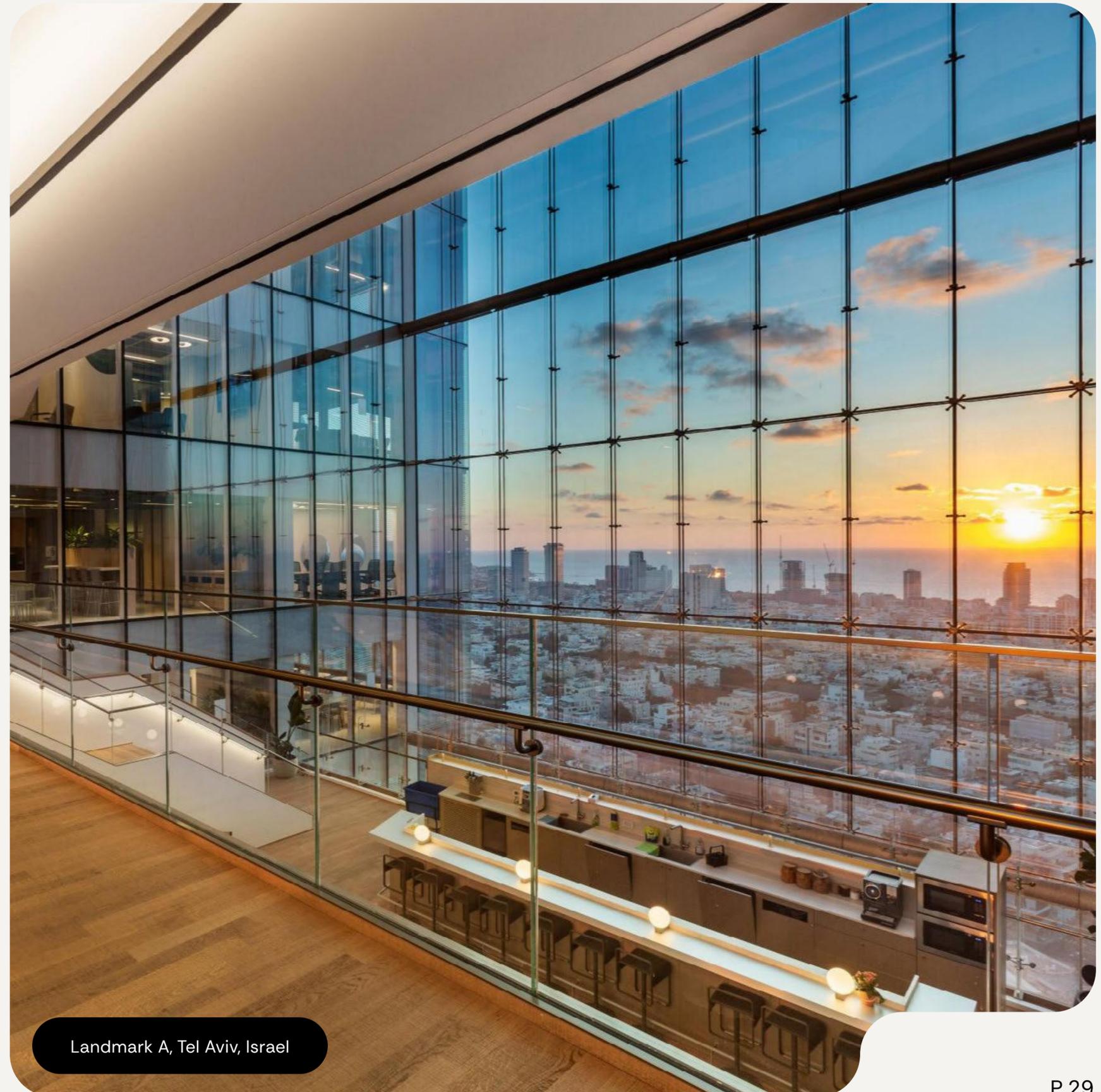
lighting, and wayfinding, we contribute to the overall quality of the street environment. In some locations, we collaborate with municipalities or local service providers on matters such as mobility access, waste management, or urban greening initiatives where these align with our operational priorities.

Tenant mix also plays a role in community impact. By attracting and retaining businesses that serve local needs (such as essential retail, services, and employment-generating tenants) we support economic activity and help maintain vibrant urban areas.

# Talent and Trust

Fostering integrity, accountability and growth through ethical conduct, transparent practices and opportunities that support the development of our people

AFI promotes a culture grounded in integrity, accountability and respect. Transparent communication and responsible business conduct form the foundation of long-term trust with employees, partners and stakeholders. At the same time, AFI invests in building the capabilities of its workforce by offering opportunities for continuous learning, skills development and career progression. Strengthening internal expertise across all countries enables teams to respond effectively to tenant needs, support the implementation of the ESG strategy and contribute to sustainable growth across all markets where the company operates.



Landmark A, Tel Aviv, Israel

# Corporate culture

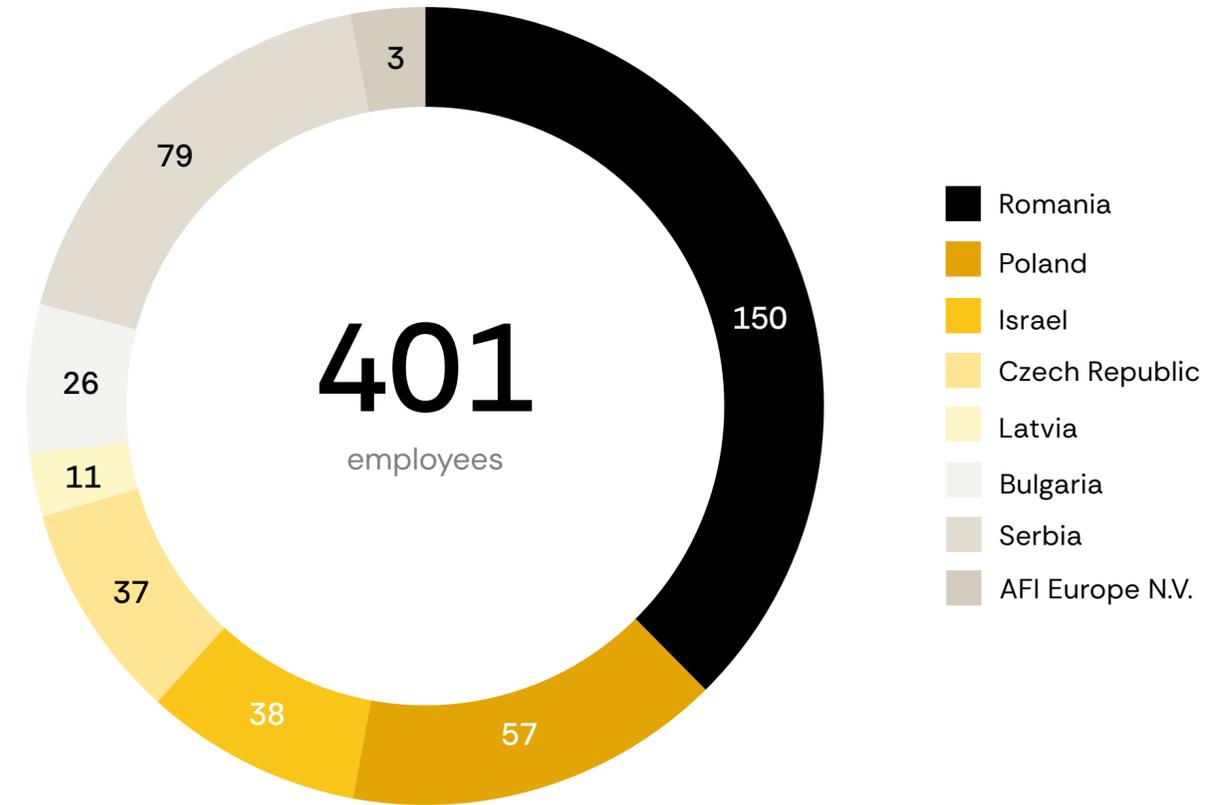
The distribution of employees mirrors the footprint of the real estate portfolio, with the largest teams in Romania, Poland and Serbia. Operating models vary by country, with some teams managing the full property lifecycle in-house and others outsourcing selected functions. Most countries, however, maintain strong internal expertise to support tenants, manage developments and ensure the operational and financial performance of assets.

During 2024, AFI hired one hundred new employees and sixty-one left the organisation, of whom the majority departed voluntarily. This resulted in an average employee turnover of fourteen percent, comparable to the previous year. AFI is recognised for its long tenures and strong institutional knowledge. Nearly forty percent of employees have been with the company for more than five years and eighteen percent have been with AFI for more than a decade, often taking on multiple roles across departments and countries. This reflects AFI's commitment to offering career growth to dedicated employees and supporting internal mobility. Most employees work full time and hold permanent contracts.

AFI maintains a relatively flat structure, supporting open communication and agile decision making. As for today, the Management Team of AFI Properties Ltd. comprises six members with diverse academic and

professional backgrounds. In line with Israeli Companies Law, the governance structure incorporates several control mechanisms, including the appointment of independent directors with financial expertise who provide oversight of governance practices. Directors represent the interests of the company and its stakeholders, and appointments are approved at the general meeting to ensure transparency and independence.

Diversity and inclusion remain essential elements of AFI's corporate culture. Women represented more than half of the workforce in 2024 and over a quarter of executive leadership roles. Recruitment processes are designed to support equitable opportunities and strengthen representation. AFI enforces a zero-tolerance policy towards discrimination and harassment in accordance with legal requirements and internal standards. A designated officer is responsible for preventing harassment and bullying, while a compliance officer ensures adherence to employment laws and company policies. Employees may report concerns confidentially through a whistleblower procedure, and all cases are reviewed by senior leadership. No incidents of discrimination were recorded in 2024. Pay gap assessments are conducted using international standards, demonstrating limited discrepancies across all major employee groups.



**AFI's organisation continued to evolve in 2024, with a total of 401 employees working across the Group.**

# Training and skills development of the AFI workforce

AFI invests in the continuous development of its workforce, recognising that employees are central to delivering strategic objectives and maintaining high operational standards. In 2024, employees received more than 1,500 hours of training, with an average of fifteen hours per participant. Training covered professional certifications, technical skills, language courses and specialised seminars. This approach supports both individual career growth and the company's broader ambition to build a culture of excellence and learning.

Human capital remains a key driver of AFI's long-term success, and the company is committed to fostering an inclusive, fair and respectful work environment. AFI upholds international and local human rights standards and ensures that employees are provided with equal opportunities for professional advancement. More than sixty-four percent of employees participated in formal performance appraisals during the reporting period, and AFI is working to extend this structured review process across all countries. Performance dialogues help employees understand their strengths, identify development needs and explore growth opportunities that align with the company's evolving requirements.

Employee welfare is an integral part of AFI's people strategy. The company supports the physical, emotional and social wellbeing of its workforce through initiatives that promote work-life balance, stress reduction and a supportive and collaborative workplace culture. Development in communication, teamwork and resilience complements technical training and strengthens employees' ability to work effectively across teams and geographies. Wellness and social activities further reinforce a sense of community and help foster a positive working environment where employees feel valued and empowered to grow.



**1516**  
total training hours in 2024, with an average of 3.8 per employee

**Commitment**  
Implement employee development plans for all staff by 2027

# Employee highlights 2024

Total employees

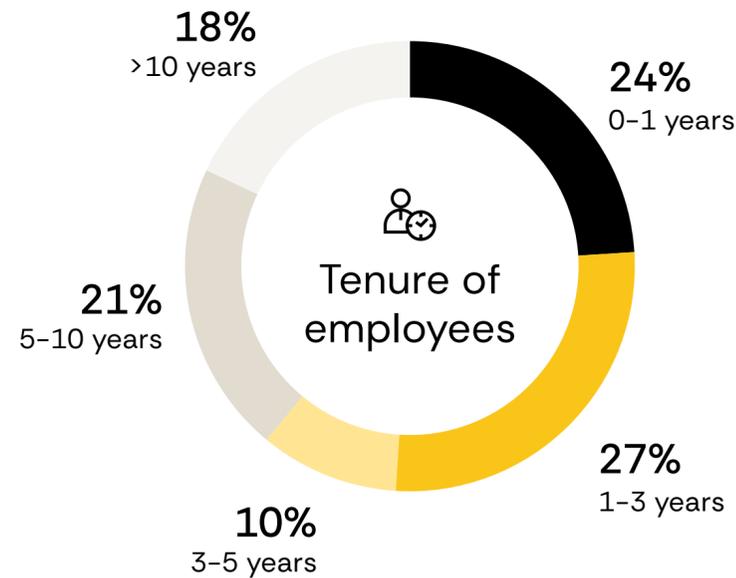


**98.5%**  
Full-time employees

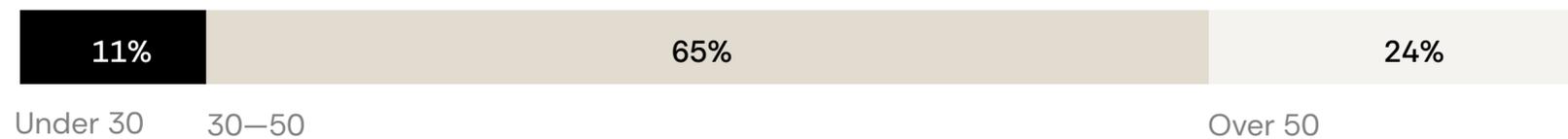
Health and Safety

**0** Fatality rate  
**81%** Employees covered by health and safety management system

Tenure of employees

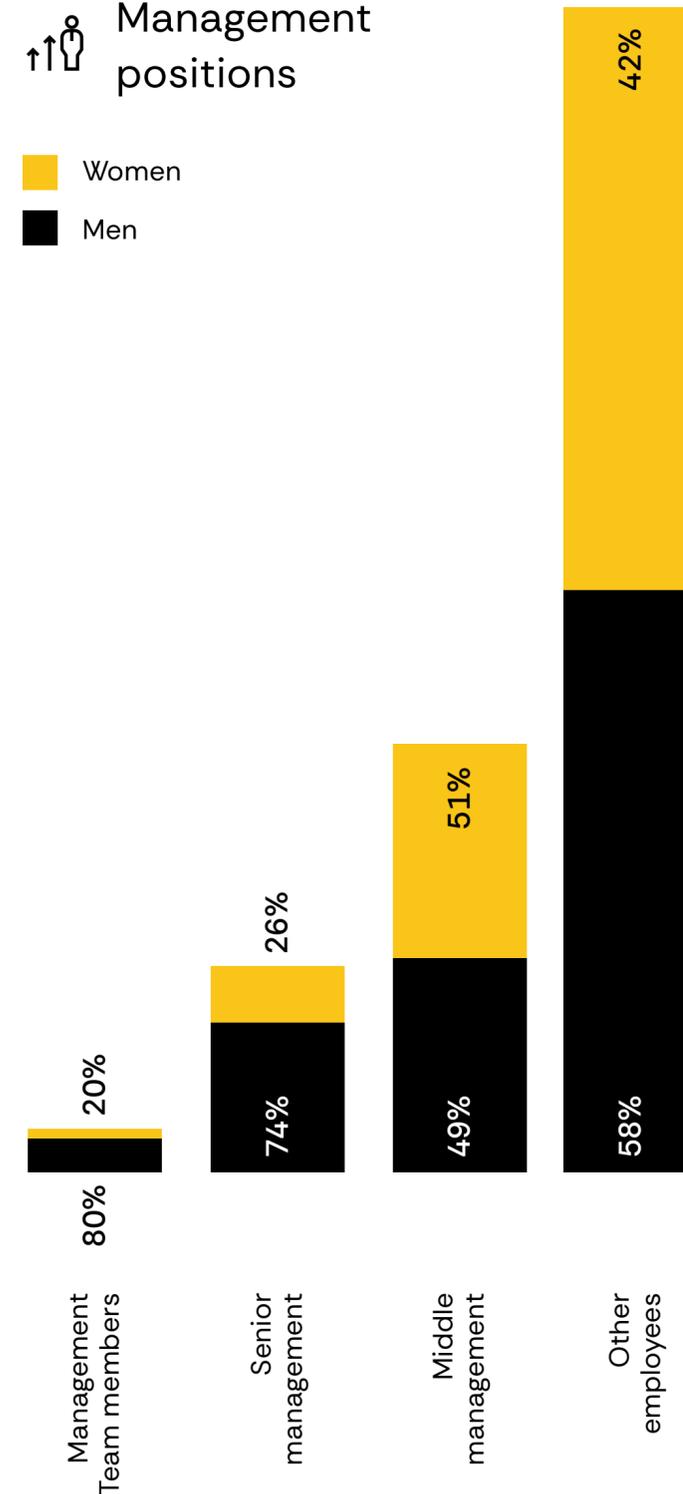


Employee per age categories



Management positions

Women  
Men



**0**  
Incidents of discrimination

Employee turnover

**15%**  
Employee turnover rate

**61** Departures  
**100** New hires

**11**

Employees took parental leave





## Commitment

Expand annual ethics training for all employees



AFI Tech Park 2, Bucharest, Romania

# Corruption and conflict of interest

AFI's Code of Conduct outlines expectations for ethical behaviour, business integrity and compliance with laws.

Employees are expected to act with honesty, fairness and transparency, placing the interests of the company above personal gain. The Code provides clear guidance on managing conflicts of interest and sets standards for responsible decision making, ensuring that daily actions support AFI's reputation for reliability and professionalism. The Code is an important reference point for employees and helps maintain consistent ethical practices across all countries in which AFI operates.

AFI encourages employees to report suspected violations or unethical behaviour without fear of retaliation, reinforcing an open and accountable culture. Whistleblowing channels allow employees to raise concerns confidentially and ensure that issues are handled in a timely and impartial manner. The company will update its Code of Conduct in 2025 to reflect evolving regulatory developments and best practices in governance and will roll out awareness and training activities in 2026 to ensure all employees are familiar with the updated principles. Training will be delivered to local teams to support full understanding across the organisation.

AFI enforces a strict zero tolerance policy towards corruption, bribery, fraud and related misconduct. This standard applies to all executives, employees, business partners and stakeholders engaged with the company. AFI's commitment to ethical business conduct underpins long-term stability, strengthens relationships with tenants, investors, financial institutions and suppliers and ensures that business decisions remain transparent and responsible. The company expects its partners to demonstrate the same high standards, and it avoids engaging with entities that do not align with its ethical values.

As a publicly listed company, AFI also maintains a comprehensive internal compliance programme. The programme provides guidance on compliance with corporate and securities laws, including the prevention of insider trading and proper management of related-party transactions. It is supervised by the CEO and a designated enforcement officer and is reviewed regularly to align with developments in the legal environment.

# Privacy protection and cybersecurity

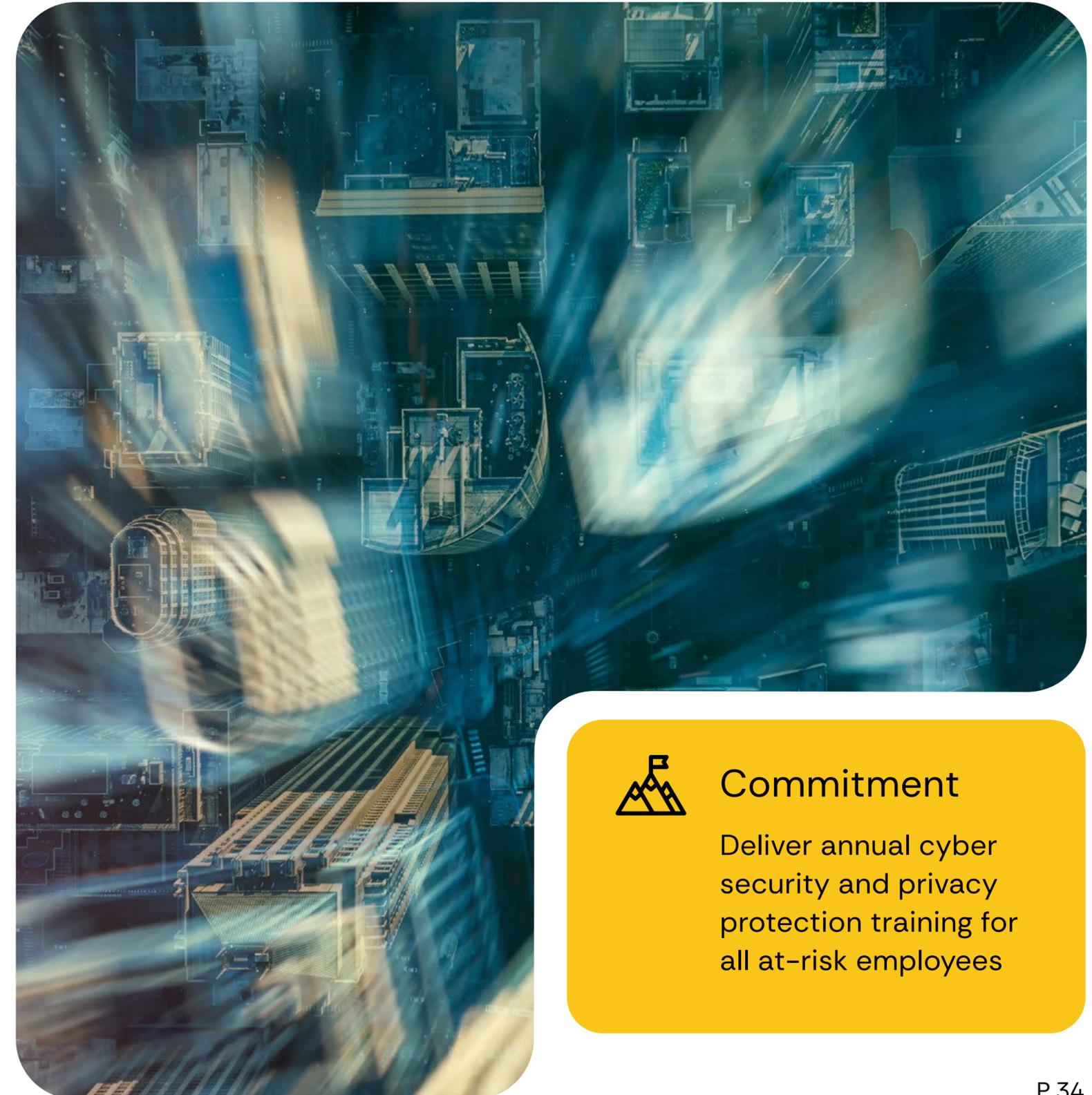
AFI is committed to protecting the privacy and security of employees, tenants, customers and business partners, recognising that responsible data management is essential for maintaining trust.

The company complies with the General Data Protection Regulation (GDPR) and other applicable laws across all regions, ensuring that personal information is handled lawfully and transparently. Access to sensitive data is restricted to authorised staff, and any misuse or unauthorised disclosure is strictly prohibited. These principles are embedded in internal policies that are reviewed regularly to reflect evolving regulatory requirements.

To safeguard its digital environment, AFI maintains a comprehensive cybersecurity framework overseen by the Chief Information and Digital Officer. The framework includes regular risk assessments by external specialists, a board approved incident response plan and a range of technical controls such as data encryption, real time monitoring, secure access systems and penetration testing. These measures help protect critical data, support operational continuity and reduce exposure to cyber threats.

Governance is central to AFI's approach. The Management Team supervises the annual information systems work plan, ensuring that cybersecurity investments align with strategic objectives and risk management priorities. Regular reporting enables the Board to monitor progress, evaluate system resilience and ensure compliance with leading industry standards.

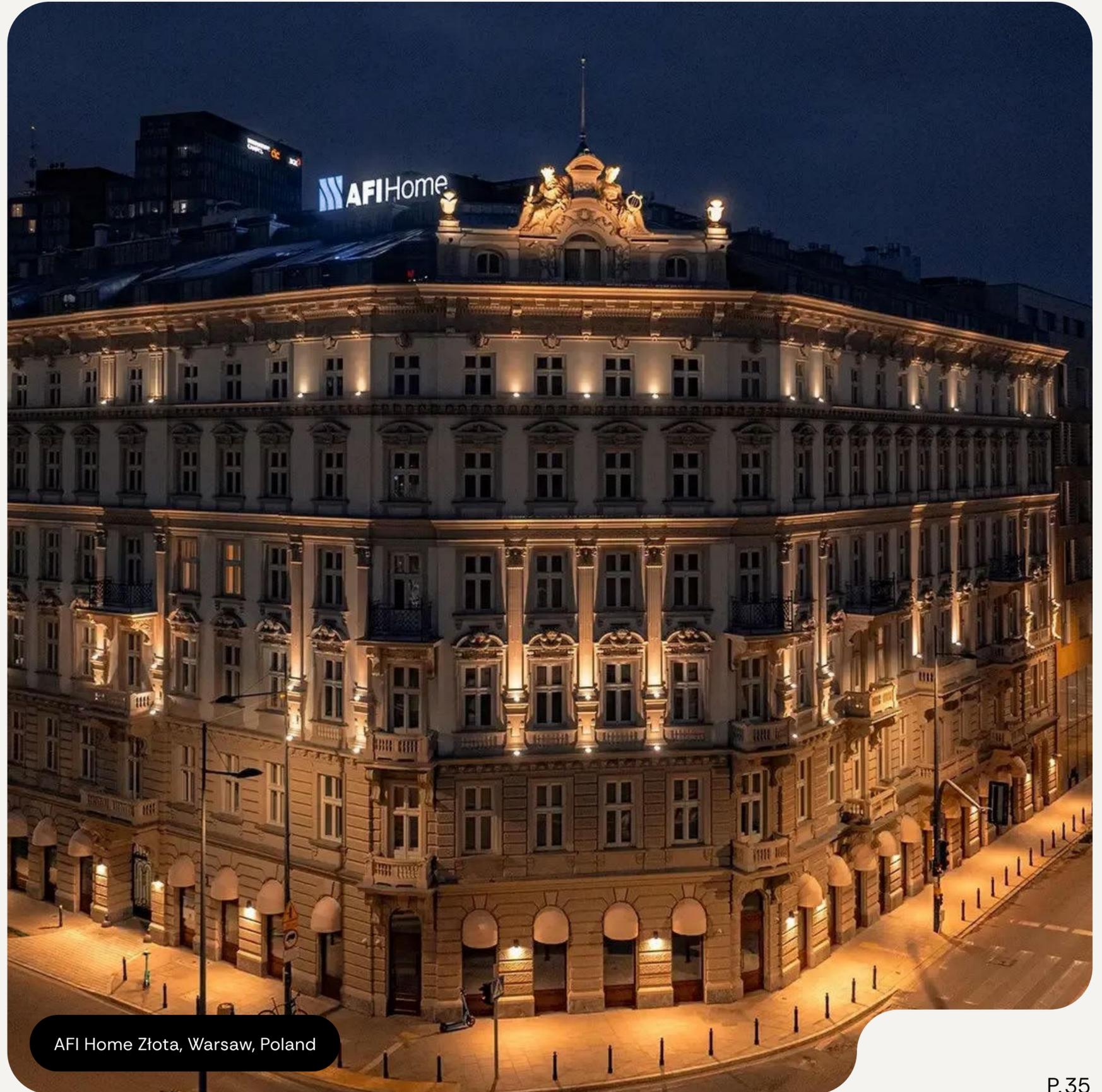
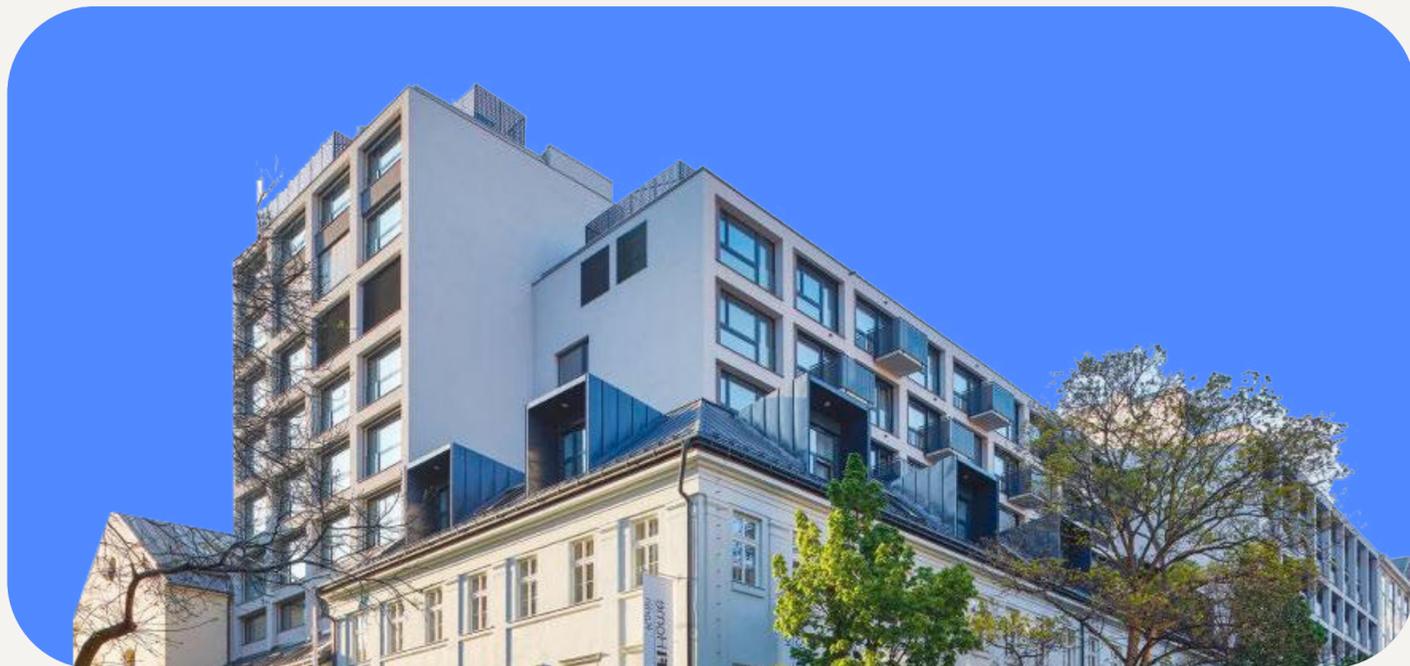
AFI continues to enhance its privacy and cybersecurity practices through investments in technology, staff training and process improvements. Employee awareness programmes reinforce secure behaviour and highlight data protection responsibilities. By maintaining high standards and adapting to emerging risks, AFI supports safe, reliable and ethical operations across all regions, protecting stakeholder information and strengthening the company's long-term resilience.



## Commitment

Deliver annual cyber security and privacy protection training for all at-risk employees

# Appendix



AFI Home Złota, Warsaw, Poland

# Qualifying notes

## Scope and reporting boundaries

All environmental performance data presented in this report covers assets owned and operated by AFI during the 2024 calendar year and falls under AFI's operational control. Data has been collected and reported for all indicators. The reporting boundary includes 49 properties, some of which were under construction or delivered during 2024 but were still included due to AFI ownership. The following assets were under development or introduced in the portfolio during the reporting year:

- AFI Skyline, Belgrade
- AFI Loft, Romania
- Landmark A, Tel Aviv
- AFI Home Kolbenova F+G, Prague
- AFI Home Metro Swedzka, Warsaw
- AFI Home Długa, Wrocław
- AFI Home Czyniewskiego, Krakow
- AFI Home North A, Romania
- AFI Home North C, Romania

The number of assets in the environmental report may differ from the total assets in the financial report. Some assets include multiple buildings, and for benchmarking purposes, we report these buildings separately in the environmental report.

AFI enhanced the completeness and data quality of environmental data in 2024, resulting in improved reliability of reported figures. Like-for-like performance trends will be available from the 2025 reporting year onward, once consecutive annual datasets are available for comparison.

## Data coverage and methodology

Data is collected using a combination of smart meters, utility invoices, and manual meter readings, with approximately 66% of the portfolio supported by smart meter technology. AFI continues to collaborate with tenants and property managers to increase completeness of their energy and resource use data and expects continued improvement in future reporting cycles. No data

estimations have been applied in this reporting year. All figures represent recorded consumption only.

## Intensity calculations

AFI calculates carbon and energy intensities to monitor emissions and consumption performance relative to building size and use. Intensity indicators are designed to improve comparability across asset classes and enable like-for-like benchmarking (through CRREM) in future reporting years. Intensity calculations are only reported for assets fully operational throughout the entire 2024 reporting period to avoid distortions from newly opened, refurbished, or partially vacant assets.

Location-based carbon intensities are calculated using the sum of scope 1, scope 2 (location-based), and tenant related scope 3 energy emissions, divided by the total building size (common areas, technical areas and leasable areas).

Energy intensity figures are calculated using total building energy consumption (electricity, fuels, district heating and cooling), expressed per square meter of building size (common areas, technical areas and leasable areas).

## Carbon emissions

Carbon emission factors were sourced from the following authorities:

- UK Government for Company Reporting (DEFRA), providing gas conversion factors.
- CRREM, for location-based electricity conversion factors in all European countries.
- Our World in Data for location-based electricity conversion factors for non-European countries
- Local energy providers, for market-based conversion factors for electricity and district heating.

Greenhouse gas emissions are reported in accordance with the GHG Protocol and GRI standards, expressed in tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). Both market-based and location-based

emissions are disclosed. The dataset excludes business travel and supply chain-related emissions, which will be considered for future reporting expansion.

Scope 1 emissions primarily result from natural gas consumption across AFI buildings. Diesel fuels, such as those used in backup generators, contribute minimally but are included in the total scope 1 dataset.

Scope 2 emissions are associated with the purchase of electricity, district heating, and cooling across AFI-owned assets. Emissions have been calculated both market-based and location-based, in accordance with the GHG Protocol:

- Location-based factors reflect the average grid emission intensity of each country.
- Market-based factors reflect contractual agreements where available, including supplier-provided emission intensities for electricity.

AFI procures 100% renewable electricity in Serbia, supported by contractual and supplier documentation. In all other countries, electricity consumption corresponds to the standard grid mix, as Guarantees of Origin (GOs) or equivalent certificates were not purchased in 2024.

Scope 2 emissions therefore vary between market- and location-based disclosures depending on regional energy structures and contractual evidence.

Scope 3 emissions are reported for tenant-controlled energy consumption where tenants have operational decision-making power over their leased spaces. These emissions are derived from reported electricity, fuel, and district heating consumption where available. AFI aims to expand scope 3 boundary coverage over time, once reliable data methodologies are implemented.

## Landlord vs tenant control

Energy consumption disclosed for landlord-controlled areas includes electricity, fuels, district heating, and cooling used to operate shared services and common areas.

For tenant-controlled areas, energy may be procured directly by tenants, or indirectly by AFI on their behalf, but operational decision-making authority remains with tenants.

This distinction directly influences the allocation of emissions across scope 1, scope 2, and scope 3 categories in line with the GHG Protocol.

## Energy data

Renewable electricity procurement varies across geographies. In Serbia, 100% of purchased electricity is sourced from hydropower, supported by supplier contractual information. In other regions, renewable energy is consumed only as part of the standard grid mix, without the purchase of Guarantees of Origin (GOs) or equivalent contractual instruments.

## Water data

Water consumption figures are reported at whole-building level, without a split between landlord and tenant areas. AFI acknowledges that data coverage for water use is currently incomplete, as improving water data quality was not the main priority during the 2024 reporting cycle. Efforts to expand metering coverage and improve transparency will be increased in subsequent years.

## Waste data

Waste data is reported for properties where information was available and verifiable through waste management providers or property management teams. Waste volumes reflect total generated waste streams, including municipal, recyclables, and mixed fractions where reported.

Key qualifications related to waste data for 2024:

- Data coverage is not yet complete across all assets.
- Waste reporting does not differentiate between tenant-generated and landlord-generated waste streams.
- No waste-to-energy, recovery, recycling, or landfill diversion performance is calculated at portfolio level for 2024 due to inconsistent data availability.
- Carbon emissions associated with waste treatment or disposal are not yet quantified within scope 3.

AFI will work towards improving waste tracking systems and separating recyclable vs. non-recyclable streams to enable more detailed reporting in future years.



# Environmental performance 2024

GRI 102 – GHG emissions 2024 (tonnes CO <sub>2</sub> e)	Total 2024	Bulgaria	Czech Republic	Israel	Poland	Romania	Serbia
<b>Scope 1 GHG emissions (102-5-a; 102-5-c)</b>							
Natural gas consumption	4,648	15	933	-	14	1,433	2,251
Diesel consumption	56	0	1	32	-	13	9
Refrigerants	-	-	55	-	-	302	161
Total scope 1 GHG emissions	4,704	16	990	32	14	1,748	2,422
<b>Scope 2 GHG emissions (102-6-a; 102-6-c)</b>							
District heating and cooling	3,526	-	2,529	245	295	93	364
Location- based electricity	58,089	1,115	3,885	21,373	5,716	4,910	21,090
Market-based electricity	34,834	1,115	2,496	21,373	5,301	4,548	-
Total scope 2 GHG emissions - location based	61,615	1,115	6,414	21,618	6,010	5,003	21,454
Total scope 2 GHG emissions - market based	38,360	1,115	5,026	31,618	5,596	4,641	364
<b>Scope 3 GHG emissions (102- 7-a; 102-7-c)</b>							
Category 13: Downstream leased assets (102-7-b)	35,998	-	6,762	2,050	7,217	19,969	-

GRI 303 – 306 Water and waste	Total 2024	Bulgaria	Czech Republic	Israel	Poland	Romania	Serbia
Total waste (tonnes) (GRI 306-3)	6,308	NR	413	476	52	5,335	32
<b>Water consumption (m3) (GRI 303-3)</b>							
Municipal supplies	847,177	12,109	150,010	23,060	49,417	338,716	273,865
Rainwater	89,363				233	89,130	
Ground water	20,380	596			-	19,784	
<b>Total water consumption</b>	<b>956,920</b>	<b>12,705</b>	<b>150,010</b>	<b>23,060</b>	<b>49,650</b>	<b>447,630</b>	<b>273,865</b>

GRI 103 – Energy consumption (MWh)	Total 2024	Bulgaria	Czech Republic	Israel	Poland	Romania	Serbia
Natural gas (103-2-a)	25,375	85	5,096	-	77	7,826	12,292
District heating and cooling (103-2-b)	11,500	-	6,321	1,363	1,558	235	2,025
<b>Electricity (103-2-b; 103-2-c)</b>							
<b>Landlord</b> Purchased electricity	119,930	3,889	7,343	45,572	9,015	22,681	31,431
% purchased renewable electricity	26%	0%	0%	0%	0%	0%	100%
On-site generated renewable electricity	302	302	-	-	-	-	-
Total electricity	120,232	4,191	7,343	45,572	9,015	22,681	31,431
<b>Total energy</b>	<b>157,108</b>	<b>4,276</b>	<b>18,759</b>	<b>46,935</b>	<b>10,649</b>	<b>30,742</b>	<b>45,748</b>
Natural gas (103-2-a)	23,982	-	4,763	-	1,705	17,514	-
District heating and cooling (103-2-b)	17,720	-	6,814	1,751	6,078	3,076	-
<b>Electricity (103-2-b; 103-2-c)</b>							
<b>Tenants</b> Purchased electricity	108,487	-	13,722	3,701	10,232	80,832	-
% purchased renewable electricity	0%	0%	0%	0%	0%	0%	0%
On-site generated renewable electricity	2	-	-	-	-	2	-
Total electricity	108,489	-	13,722	3,701	10,232	80,834	-
<b>Total energy</b>	<b>150,190</b>	<b>-</b>	<b>25,299</b>	<b>5,451</b>	<b>18,015</b>	<b>101,424</b>	<b>-</b>

2024 Intensity figures	Office	Retail	Residential
Carbon intensity - location based (kg CO <sub>2</sub> e/m <sup>2</sup> )	93.3	59.9	34.6
Energy intensity (kWh / m <sup>2</sup> )	247.9	261.5	112.9

# GRI content index

GRI Standard	Disclosure	Pages
<b>GRI 2: General Disclosures 2021</b>		
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2-2	Entities included in the organization's sustainability reporting	2-3
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	36
2-5	External assurance	The 2024 report has not been externally assured
2-6	Activities, value chain and other business relationships	3, 5
2-7	Employees	30-32
2-9	Governance structure and composition	Annual Report 2024
2-11	Chair of the highest governance body	Annual Report 2024
2-12	Role of the highest governance body in overseeing the management of impacts	10
2-13	Delegation of responsibility for managing impacts	10
2-14	Role of the highest governance body in sustainability reporting	10
2-15	Conflicts of interest	33
2-16	Communication of critical concerns	10
2-22	Statement on sustainable development strategy	6-9
2-23	Policy commitments	22-23
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2-26	Mechanisms for seeking advice and raising concerns	30-33
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2-29	Approach to stakeholder engagement	5
<b>GRI 3: Material Topics 2021</b>		
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3-3	Management of material topics	10

GRI Standard	Disclosure	Pages
<b>GRI 201: Economic Performance 2016</b>		
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201-2	Financial implications and other risks and opportunities due to climate change	16
<b>GRI 302: Energy 2016</b>		
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<b>GRI 305: Emissions 2016</b>		
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305-4	GHG emissions intensity	37
<b>GRI 306: Waste 2020</b>		
306-3	Waste generated	17, 37
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	32, Occupational Health and Safety 2018
<b>GRI 404: Training and Education 2016</b>		
3-3	Management of material topics	31
404-1	Average hours of training per year per employee	31
404-2	Programs for upgrading employee skills and transition assistance programs	31
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
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