



**Corporate Responsibility Report  
for 2023-2024  
Clal Insurance and Finance**

Clal Insurance and Finance is publishing its Corporate Responsibility (ESG) Report for 2023-2024 at a time when the reality in Israel is posing complex national, social and economic challenges. In this reality, we are proud to present Clal's continuing commitment to responsible, stable and transparent management, during which business excellence is inextricably intertwined with moral contributions to Israeli society.

This report reflects the core principles that guide us: compassion, stability and relevance. It presents the Group's environmental, social and corporate governance activities and its continuous investments in the people behind the statistical reports – customers, employees, agents, investors and communities.

For us, corporate responsibility is not merely another metric, but rather is based on empathy, attentiveness and engagement with our stakeholders.

Clal Insurance and Finance sees itself as an integral part of the State of Israel's national resilience, and is continuing to take action out of faith in the power of a strong community, a stable economy and solidarity.

# Opening remarks

## Message from our chairman

I welcome the publication of Clal Insurance and Finance's third Corporate Responsibility (ESG) report.

This report reflects our continuous commitment to responsible, stable and transparent management, during which significant business achievements are intertwined with real contributions to the environment, society and the community.

Over the past two years, the State of Israel had to be exceptionally resilient in the face of the war's challenges. Throughout this period, and even now, Clal Insurance and Finance is presenting substantial achievements and stands steadfast with its employees, customers and the communities in which it operates. The Company's emotional, financial and social resilience relies on the dedication of its employees, who work responsibly and in solidarity on a daily basis and especially in times of emergency.

I would like to thank the Company's management headed by our CEO, Yoram Naveh, and our employees for the professionalism, commitment and dedication they demonstrate every day.

On behalf of the Board of Directors, we are committed to continuing to ensure Clal's stability, to lead it to long-term growth and to provide lasting value to all of our stakeholders.

**Haim Samet, Chairman**

Clal Insurance Enterprises Holdings Ltd.

## Message from our CEO

Clal Insurance and Finance's Corporate Responsibility (ESG) Report for 2023-2024 reflects our strategy for integrating stable business growth with social, environmental and moral responsibilities.

The past few years have been characterized by outstanding business achievements – expanded revenue sources, growth in our insurance and credit operations, growth in our assets under management, continuous improvement in profitability and resumption of dividend distributions to our shareholders after more than a decade. In May 2025, Clal joined the Tel Aviv Stock Exchange's TA-35 Index. These achievements demonstrate that we successfully implemented our strategy for positioning Clal as a diversified, stable and leading financial holding company.

At the same time, we are cognizant of the fact that a company's strength is not measured only by its financial results, but also by its commitment to ESG values. We invest considerable resources in implementing responsible investment management, promoting advanced digital services for customers and agents, developing our human capital and strengthening our social engagement.

Values of stability, relevance and compassion guide each of our decisions and constitute the foundation for the public's trust in Clal Insurance and Finance.

We will continue to leverage business growth and deepen our leadership in the insurance, investment and credit sectors, while reinforcing the Group's positioning as a leading player in

the Israeli financial market. We are also committed to conducting ourselves with national responsibility – to ensure financial stability for our customers, agents and employees and to be partners in maintaining the resilience of Israeli society.

During the last two years of the unprecedented challenges of the war, Clal Insurance and Finance mobilized to provide extensive support to Israeli society through donations, employee volunteering and a dedicated fund at the volume of ILS 10 million to assist customers who were harmed.

We believe that emotional, health and financial resilience are an integral part of our responsibilities to our stakeholders, both routinely and in emergencies.

The extent at which Clal Insurance and Finance reflects Israeli society as a whole was exemplified even more during the war. Also within our Company itself, we suffered the painful loss of dear employees, alongside employees who lost immediate family members and relatives and employees who were forced to evacuate their homes.

We are overjoyed about the return of all of our living hostages, including Guy Gilboa Dalal, the son of our employee, Ilan Dalal. We are all still waiting for the speedy return of Ran Gvili, OBM, and stand by his family. This difficult period further strengthened our commitment to conduct ourselves with national responsibility, to vigorously maintain financial stability and to continue supporting the emotional, health and social resilience of the general public.

I would like to thank our employees and agents for their dedication, professionalism and contributions to the Company's success.

Together, we will continue to take action to ensure the stability of Clal Insurance and Finance and the prosperity of Israel's economy and to strengthen social and community resilience.

**Yoram Naveh, CEO**

Clal Insurance and Finance

# About the Company

Clal Insurance Enterprises Holdings is a holding company engaging in the insurance, pension, provident and financial sectors and in holdings of other assets and businesses (such as holdings of insurance agencies).

Correct to the report period, the Group is one of the five largest insurance and finance groups in Israel, and the Group has also been a key player in the credit card sector since 2023. The Group operates in several spheres: in a variety of categories of insurance and long-term savings, such as pension funds, provident funds and continuing education funds; general insurance, such as car and apartment insurance; health insurance; and credit cards (MAX). The Group also operates in the mortgage and credit insurance sectors, which are unique niches among insurance companies.

Correct to year-end 2024, the Group employs about 4,400 employees in Clal Insurance and Finance and in its insurance agencies, and about 1,560 employees in MAX.

The Company is one of the leaders in the insurance and long-term savings market in Israel and constantly takes action to strengthen its financial robustness and increase its value to its shareholders through business growth and expansion, improving expense structures, maintaining its high standards of service to agents and customers, introducing innovations in products and services, cultivating and retaining its human resources, contributing extensively to the community and strengthening its relations with all of its stakeholders.

## Our vision

To be the leading group in the insurance and long-term savings market in Israel, which strives to further increase the Company's value and maximize value for its shareholders by focusing on increasing profitability, improving service to the Company's customers and agents, introducing innovations in services and products, maintaining technological and digital leadership, retaining high-caliber human resources and on constantly striving for excellence.

## Clal's brand promise

Clal understands that life simply happens. We succeed in seeing the big picture as well as the minute details. We see the individuals in the totality of situations, and accompany them over time with sensitivity and understanding.

Our promise is to accompany our customers and agents over time, both during their daily encounters and in their overall life situation, and to be there for them and offer them a variety of suitable solutions that meet their needs.

## Our history

Clal Insurance began operating in Israel in **1962** as a government insurance company under the name Yuval Israel Insurance Company Ltd.

In **1978**, Yuval was acquired by Clal (Israel) Ltd. and its name was changed to Clal Insurance Company Ltd. Over the years, Clal Insurance acquired and merged other insurance companies into it, including: Ararat Insurance Company Ltd., Elite Insurance Company Ltd., Eitan

Insurance Company Ltd. and Aryeh Israeli Insurance Company Ltd., and acquired insurance portfolios in Israel.

In **1987**, Clal Insurance Enterprises Holdings Ltd. was established.

In **1992**, Clal Insurance acquired part of the insurance portfolio of Hassneh Insurance Company, and Zur Shamir Insurance Company's insurance portfolio. Subsequently, insurance companies acquired by Clal Insurance were merged into the Company, including: Ararat, Elite, Eitan and Aryeh. The said acquisitions and mergers contributed to Clal Insurance's growth into one of the largest insurance groups in Israel.

In **1998**, Clal Insurance acquired the Israeli Credit Insurance Company Ltd.

In **2004**, the Company acquired Meitavit Pension Fund and, in **2006**, it merged the Atudot Pension Fund into it.

In **2006**, the Group expanded its operations and centralized its health insurance and long-term care insurance segment under Clal Health. In 2013, Clal Health merged with Clal Insurance.

In **2007**, the Company acquired the provident funds of Israel Discount Bank and Bank Hapoalim.

In **2010**, Clal Provident Ltd.'s activities were merged with the Meitavit Atudot Pension Fund and its name was changed to Clal Pension and Provident Ltd.

In **2015**, the Company launched its own digital innovation revolution.

In **2018**, Clal Insurance decided to deepen its activities in the financial sector and, accordingly, changed its name to Clal Insurance and Finance.

In March **2023**, Clal completed its acquisition of MAX from the American private equity fund, Warburg Pincus, and its partners.

## Our holding structure



Correct to December 2025

# Organizational structure of Clal Insurance and Finance

## 4 performance bodies

- **Customers and Distribution Division** coordinates the Group's sales operations, including with the Group's agents and direct sales activities;
- **Service, Operations and Collections Department** coordinates the service, operations and collections activities vis-à-vis agents and customers;
- **Investment Division** coordinates the investment and credit-provision activities in the Group;
- **Claims Department** coordinates the handling of policyholders' and members' claims in all of our insurance and pension segments.

## 3 business divisions

- **Long-term Savings Division**
- **General Insurance Division**
- **Health Insurance Division**

## 6 administrative bodies

- **Resources Division** coordinates the management of human resources, payroll and logistics in the Group;
- **Financial Division** coordinates all financial and actuarial activities in the Group;
- **Information Systems Department;**
- **General Counsel and Regulations Department;**
- **Risk Management, Control and Enforcement Department;**
- **Marketing and Strategy Department.**

The Group owns insurance agencies specializing in long-term savings and general insurance, and also has an Internal Audit Department, which is subordinate to the chairman of the board of directors.

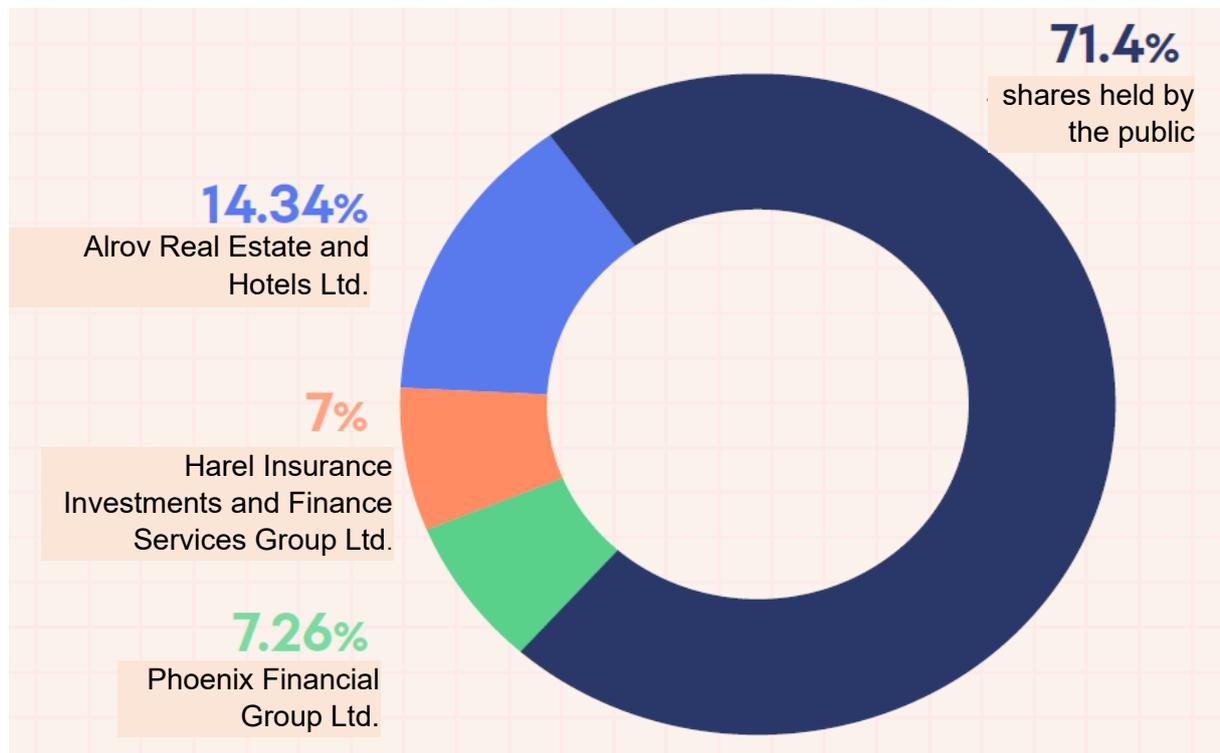
## Acquisition of MAX

We completed our acquisition of MAX during the first quarter of 2023. This transaction positions the Clal Group as the first company in the financial sector to take action to promote competition in the consumer credit sector for the benefit of the Israeli public.

MAX focuses on two segments:

- **Credit card issues** for financial institutions and private customers;
- **Clearing**, including: (a) clearing services; (b) ancillary services and products related to clearing services; and (c) offerings of financial products, services and solutions to business establishments, such as loans, voucher discounting, advance payments and guarantees.

## Our shareholders



Correct to 31.12.24

## Our offices nationwide

The Company has offices in several cities

**Tel Aviv – Jaffa** (the Group's headquarters)

**Petah Tikva**

**Jerusalem**

**Haifa**

**Nazareth**

**Be'er Sheva**

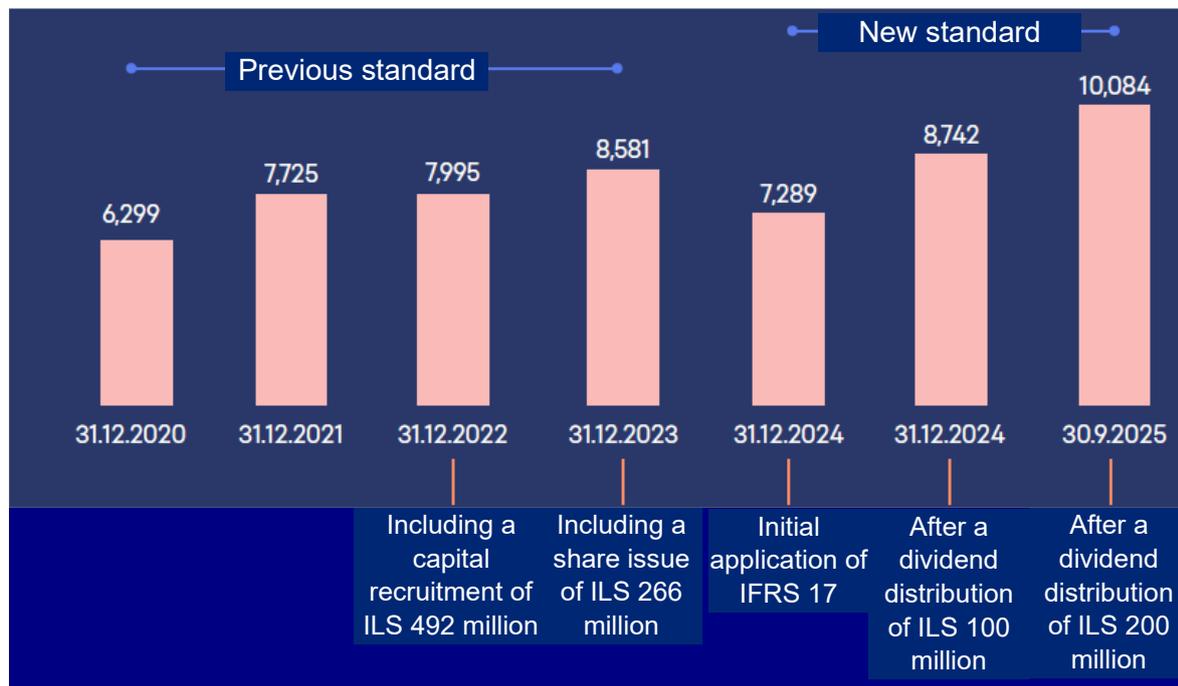
The Group's agents also operate nationwide.

## Financial robustness

The total equity attributed to the Company's shareholders on 31/12/2024 totalled about ILS 9,450 million, compared to about ILS 8,581 million on 31/12/2023 – an increase of about 10%.

ClaI Insurance's solvency ratio (excluding debt scheduling) has risen and, correct to 31/12/2024 is about 128%, compared to 109% at the end of 2023 and, taking debt scheduling into account, is 158%.

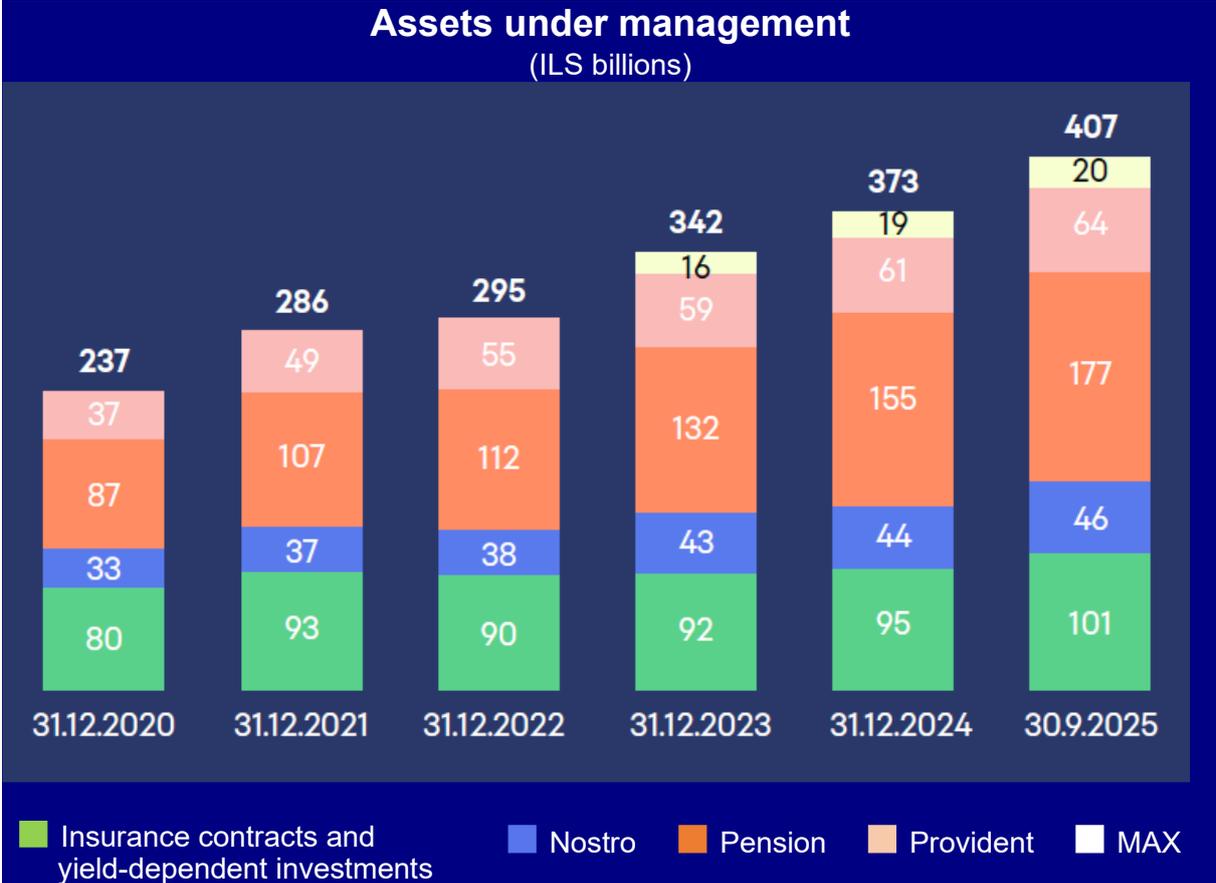
### Equity attributed to the Company's shareholders (in ILS millions)



Insurance companies began reporting according to the new accounting standard at the beginning of 2025; therefore, the equity changed at the time of the transition.

**The Company's volume of assets under management reached a new record at the end of the Q3 2024 and totalled about ILS 369 billion, correct to September 2024**

(compared to ILS 338 billion at the end of 2023).



# Corporate responsibility

# Corporate responsibility strategy

As a leading insurance and finance company in Israel, we take action to integrate environmental, social and ethical aspects into the Company’s routine management as an integral part of our business operations. Our Code of Ethics guides us in all of our activities, and we maintain ongoing dialogues with all of our stakeholders.

## Clal for the common good

**For our customers** – providing fair, transparent optimal service to our customers and maintaining ethics and good corporate governance

**For our employees** – fostering equitable, diverse and inclusive work environments, health and safety and developing our human capital

**For Israeli society** – promoting community engagement, contributions to the community and Clal’s Resilience Center

**For the environment** – reducing our carbon footprint and executing responsible investments

### Our core activities:

Fair, transparent optimal service to our customers	Responsible investments	Developing professional human capital	Equitable, diverse and inclusive work environments, health and safety
Corporate responsibility during procurements	Protecting environmental quality	Ethics and good corporate governance	Our Resilience Center, community engagement and contributions to the community

## Managing corporate responsibility

Our marketing and strategy department manages the spokesperson, content and ESG aspects of our corporate responsibility. The Company’s spokesperson and ESG manager is responsible for these aspects, receives professional guidance and reports to the Executive VP and director of marketing and strategy.

Spheres of corporate responsibility are incorporated in our annual work plan that sets empirical goals, which we regularly measure and control. . These metrics are presented annually to the management and the Board of Directors.

This is the third report we have published as part of our long-term commitment to sustainability and transparency for all the company’s stakeholders. This report covers the activities of Clal Insurance and Finance Ltd., excluding max and hyp

## Our ESG policy

The Group’s board of directors approved our ESG policy during the report period.

This policy represents our approach towards integrating ESG topics in our routine operations, which is demonstrated, inter alia, by risk assessments prior to executing transactions. The

purpose of our ESG policy is to serve as a support tool during decision-making and other processes.

The policy outlines the Company's guiding ESG principles and regulates its implementation in our insurance and other businesses.

## Material topics

Material topics are key corporate responsibility topics having bidirectional impacts on the Company – topics having impacts on the Company's stakeholders and on the Company itself.

As part of the formulation of this Corporate Responsibility Report, we conducted an internal process at the end of 2024 to review and update the material topics relevant to our operations. The validation of these material topics is conducted annually. This year, it was based on **Double Materiality** principles. Under this approach, material topics are determined through two complementary perspectives:

- **Financial Materiality (Outside-In):** Examining how external factors affect the company's value and economic performance.
- **Impact Materiality (Inside-Out):** Examining how the company's business activities impact the environment and society.

The process further included a benchmarking analysis of corporate responsibility reports from leading local and global companies in the finance and insurance sectors, alongside international reporting standards that represent industry **Best Practices**. Within this framework, we elected to adopt an expansive approach, including a broader range of topics than in previous years to demonstrate our long-term commitment to both internal and external stakeholders.

### Our material topics:

- Responsible investments
- Products having an environmental or social impact
- Ethical conduct and good corporate governance
- Reducing greenhouse gas emissions
- Innovation
- Energy efficiency
- Information security, cybersecurity and privacy protection
- Risk management
- Quality of service and customer experience
- Corporate responsibility during procurement
- Employee development and wellbeing
- Diversity, inclusion, human rights and equal opportunities
- Involvement in and contributions to the community

[Material Topics: Impact and Management Approach](#)

**Ethical Conduct and Sound Corporate Governance**  
**Internal Impacts**

Ethical conduct and sound corporate governance serve as the foundation for the responsible, transparent, and controlled management of the company's activities. The implementation of a Code of Ethics, oversight and reporting mechanisms, and strict adherence to regulatory requirements contribute to informed and independent decision-making. These practices mitigate legal and operational risks and strengthen an organizational culture rooted in integrity, trust, and accountability. Strong corporate governance bolsters organizational cohesion, improves financial risk management, and supports long-term business stability.

### **External Impacts**

Externally, ethical corporate governance directly impacts the level of trust that the public, customers, investors, and regulators place in the company. Transparent management reduces exposure to reputational and regulatory risks, supports the ability to raise investment, and establishes long-term stakeholder relationships. Adhering to high ethical and regulatory standards strengthens the company's reputation as a responsible and reliable entity in its operating market.

### **Goals and Metrics:**

- **90%** attendance rate at Board of Directors and Committee meetings.
- **90%** of employees participating in Code of Ethics training.
- **Zero (0)** ethical violations.

## **Human Capital Development and Well-being**

### **Internal Impacts**

Investment in human capital directly affects the quality of our talent, the level of organizational engagement, and the company's ability to achieve its business goals. Professional development, career advancement, welfare policies, and work-life balance contribute to employee satisfaction, reduced turnover, and increased productivity and innovation. A safe, egalitarian, and supportive work environment strengthens employees' sense of belonging and their commitment to company values.

### **External Impacts**

Externally, human capital development influences the company's reputation as an employer of choice and its ability to attract and retain skilled employees in a competitive market. Engaged and professional employees positively impact service quality and customer satisfaction, thereby strengthening ties with clients and business partners. Promoting diversity and inclusion reflects a broader social commitment and bolsters stakeholder trust.

### **Goals and Metrics:**

- **80%** Annual employee satisfaction index.
- **15 hours** average training hours per employee.
- **20%** Annual employee turnover rate.

## **Information Security, Privacy, and Cyber**

### **Internal Impacts**

Effective management of information security, privacy, and cyber resilience contributes to the company's operational robustness and the protection of digital assets and sensitive data. The implementation of stringent policies, internal controls, monitoring systems, and incident response protocols—alongside ongoing employee training—mitigates the risk of security

breaches and business disruptions. Proper management of cyber risks ensures business continuity and supports compliance with evolving regulatory requirements.

### **External Impacts**

Externally, maintaining information security and privacy directly impacts the trust of customers, business partners, and regulators. Protecting personal and sensitive information reduces exposure to financial loss, reputational damage, and regulatory consequences. In a competitive digital business world, a high level of information security is a prerequisite for customer retention and building long-term stakeholder relationships.

### **Goals and Metrics:**

- **Zero (0)** reported information security and privacy incidents.
- **90%** of employees participating in cyber and information security training.
- **Full Compliance** with laws and regulations.

### **Executive Remuneration**

Executive remuneration at the company is anchored in annual work plans and derived from predetermined goals and Key Performance Indicators (KPIs), customized to each executive's areas of responsibility.

As part of this framework, remuneration metrics include targets related to Sustainability and ESG responsibilities relevant to each role. This ensures a direct link between executive performance—meeting business, social, environmental, and governance goals—and the company's compensation mechanisms.

## **Dialogues with our stakeholders**

**We take action to create and maintain meaningful dialogues with all of our stakeholders and to cultivate long-term mutual trust.**

### **Employees**

Our employees are the core of our organization. Our employees' high satisfaction, engagement and success in their roles represent our long-range success as a company.

We invest considerably in creating synergies and promoting collaborations between employees and management, based on mutual trust, open communications and swift and efficient information exchanges through a variety of channels. Employees receive a wide range of services relating to human resources, training and employee experience. We engage in ongoing dialogues and feedback with our employees and strive for continuous improvement.

### **Agents**

We invest considerable resources in maintaining continuous open dialogues with our agents in order to receive feedback and improve service, to make services accessible using advanced and innovative technological means, to maintain transparency with our agents and to provide them with all information necessary for their success.

### **Customers**

As a customer-centric organization, we are committed to being respectful and attentive to customers at all times and under all circumstances and to safeguarding the privacy and confidentiality of all information provided to us in compliance with all statutory provisions and our values. We allocate resources and are diligent about receiving feedback from customers to ensure continuous improvement. Our commitment to this process is consistent and unwavering.

## **Suppliers**

We cultivate long-term relations with our suppliers, negotiate fairly with them, avoid exploiting the Company's power and honor our agreements with them. We treat our suppliers and reinsurers respectfully, fairly and with the utmost transparency.

## **Authorities and competitors**

We are diligent about providing full, reliable and transparent reports to authorities and stakeholders with whom we interact, in compliance with the Company's procedures and applicable law.

We also comply with the fair competition laws and do not slander our competitors.

## **The community and social organizations**

We recognize the importance of community engagement and contributing to the community and encourage the creation of long-term collaborations with NPOs and social organizations in community projects, including through donations, employee volunteering and the expansion of Clal's Resilience Center.

## **Shareholders, debenture-holders and investors**

We are committed to full transparency and disclosure vis-à-vis our shareholders in relation to all matters pertaining to our business activities, are meticulous about the clarity, completeness and accuracy of our reporting and hold discussions with analysts prior to publishing our periodic financial statements.

## **Maala rating**

Maala is an umbrella organization that brings together about 120 of Israel's leading companies that promote corporate responsibility in the business sector and develop and implement standards of responsible management in Israel.

Clal Insurance and Finance became a corporate member of Maala in 2019 and began participating in the Maala Index, Israel's leading corporate responsibility index. **In 2025, we were awarded Maala's highest ESG rating – "Platinum Plus," for the sixth consecutive year, and were also awarded an AAA ESG rating for the second consecutive year – the only company in the Israeli insurance sector and one of only six leading companies in the entire Israeli economy.**

In addition, we applied to Maala for a diversity and inclusion rating for the third time in 2025, and once again were awarded the highest score – five stars.

Maala's diversity and inclusion rating examines data on diversity ratios among companies' employees, organizational input indicators that advance diversity and managerial actions to ensure inclusive work environments fostering a sense of belonging.

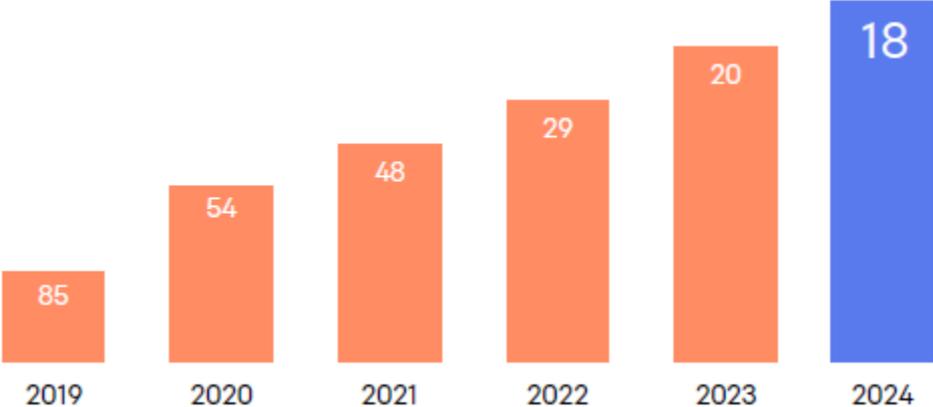
For more information on Maala's ratings and diversity and inclusion ratings, click [here](#).



## Awards and rankings

In Coface Bdi's "100 best companies to work for in Israel in 2024, we ranked in a respectable 18th place and in 1<sup>st</sup> place among the major insurance companies.

Our rankings in the index of the best companies to work for between 2019 and 2024:



We ranked 134 in Time Magazine's and Statista's list of 1,000 of the world's best companies for 2025 and in 1<sup>st</sup> place among all Israeli companies being ranked.

**1<sup>st</sup> place**  
among Israel's major insurance companies



## Our ESG achievements in 2023-2024

Environment	Society	Ethics and Corporate Governance
We updated our environmental policy	Activities during the war for the benefit of customers, employees and Israeli society as a whole: we established an ILS 10 million fund, ex gratia, to assist policyholders in respect of uninsured war damages	We updated our Code of Ethics
Since 2019 when we began reporting and until the end of 2024, we reduced our scope 1 and scope 2 greenhouse gas emissions by 38.05%. Between 2023 and 2024, we reduced our scope 1 and scope 2 greenhouse gas emissions by 6.87%	21.3% of our employees in 2024 are from diverse populations	We ratified our Human Rights Charter
We reduced our electricity consumption by 2.34% between 2023 and 2024	Women account for 68% of our employee force and 64% of our managers	More than 95% of our employees completed training in our Code of Ethics
We reduced our fuel consumption by 6.19% between 2023 and 2024	We donated a total of ILS 9 million to the community in 2023-2024	100% of our main suppliers and subcontractors signed our Code of Ethics
We reduced our paper purchases by 15.79% between 2023 and 2024 and we recycle all of our paper waste	69% of our employees engaged in volunteering in 2024. Hours of volunteering totalled 15,481	We approved our ESG policy
We vacated 353 kg of electronic waste in 2024 and 880 kg in 2023	Our employees expressed high satisfaction in our employee surveys: 86% of employees said that they enjoy working with their teammates 81% expressed pride in their work at Clal 75% recommended Clal as a good place to work 85% of employees said that managers in the company treat people from different population groups equally, a ratio that reflects the high level of inclusion in the organization The survey also found that employee engagement and commitment to the organization is very high – 70%, and that employees gave managers high evaluations.	

# Committed to sustainable development

# The UN Sustainable Development Goals (SDGs)

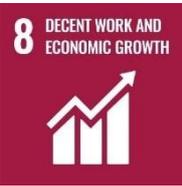
As part of the Paris Agreement (an agreement signed during the 2015 annual international climate change conference), all 193 UN member states, including Israel, committed to implementing 17 goals for sustainable international development. These goals were formulated in collaboration with the private sector and civil society, and present a comprehensive approach towards addressing the key social, economic and environmental challenges of the 21st century.

## Our contributions to the SDGs

As a public institutional financial company in Israel, we are cognizant of the meaningful and profound correlation between our core businesses and goals towards achieving a sustainable future for ourselves and for future generations. Therefore, we take action to advance the SDGs as an integral part of our business activities.

### SDGs that we are actively advancing include:

SDG	Target	Clal's activities
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	3.4 Reduce mortality from non-communicable diseases and promote mental health	<p>Israeli law enables every resident of the State of Israel to receive national healthcare services through one of the HMOs. However, since the national healthcare basket does not include all medicines or treatments abroad, many residents opt to also obtain private health insurance. Clal Insurance and Finance's health insurance policies offer a wide variety of plans and insurance covers.</p> <p>Clal also operates its Resilience Center, which provides information and assistance during times of emotional, health and financial distress, in instances when professional help and guidance are needed. This is a unique platform developed in collaboration with leading NPOs and associations in Israel and offered in Clal's Button application, which makes considerable information and relevant professionals accessible to the general public.</p>
	3.8 Expand universal healthcare coverage	
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	7.2 Increase the ratio of renewable energy in the global mix	<p>The Clal Group has an ESG policy relating to responsible investments since 2022.</p> <p>Among the energy projects in which Clal is investing are energy generation projects from natural gas and renewable</p>
	7A Enhance access to research and technology	

SDG	Target	Clal's activities
	and promote investments in clean energy	sources, such as solar energy, wind energy, hydroelectric energy and waste-to-energy technologies.
	8.5 Promote full and productive employment, decent work and equal pay	The Clal Group is meticulous about ensuring equal opportunities and diverse and inclusive work environments. Trust and fairness are the foundation of our organizational culture and the Group's mode of operation. Our employees' perception of the Group and their degree of trust in it have a significant impact on our employees' identification with and commitment to the Company.
	8.8 Protect labor rights and safe work environments	Clal Insurance and Finance also performs an annual analysis of wage data and takes action to eliminate gender wage disparities, if any, in compliance with the Equal Pay for Male and Female Employees Law, which came into effect on June 1, 2022.
	9.4 Upgrade infrastructure, reduce carbon intensity, increase resource-use efficiency, and broaden assimilation of clean and environmentally sound technologies	Clal takes action to address climate issues and reduce its impacts on the environment. Its main activities are office-based, and its relevant climate management topics are energy efficiency, fuel consumption and waste management.  Clal engages in a variety of activities to reduce energy consumption and carbon intensity, such as switching to hybrid vehicles, turning off computer systems, air conditioning and lighting in offices, adopting a workday from home, etc.
	10.2 Empower and promote social, economic and political inclusion of all	The Clal Insurance and Finance Group is meticulous about ensuring equal opportunities and diverse and inclusive work environments. The Group employs people from all populations, devoid of discrimination based on religion, gender, nationality, disability, sexual orientation, or any other characteristic. The Group invests considerable resources in advancing underrepresented populations in the labor market. We also set an annual goal to increase employment diversity in the Company and, in 2024, we hired a
10.3 Ensure equal opportunities and reduce inequalities		
		

SDG	Target	Clal's activities
	12.2 Promote sustainable management and efficient use of natural resources	professional to be responsible for advancing these issues in our organization.
	12.5 Reduce waste and encourage recycling	Clal takes action to address climate issues and reduce its impacts on the environment. Its main activities are office-based, and its relevant environmental management topics are energy efficiency, fuel consumption and waste management.
	12.6 Adopt a sustainable reporting culture	Clal has been reporting annually to the Ministry of Environmental Protection's Voluntary Greenhouse Gas Reporting System since 2019. The voluntary mechanism is one of the Company's key tools for measuring and monitoring its environmental performance.
	12.8 Increase awareness of lifestyles in harmony with nature	<p>The Company launched a large number of online services in recent years, thereby reducing paper consumption. In compliance with the law, the Company also transfers electronic waste to an external company that handles three main waste streams: recycling, reuse and waste-to-energy.</p> <p>At the same time, Clal is exerting efforts to assimilate a culture of wellbeing and provides guidance in mental resilience and positive psychology. The Company is also advancing several initiatives to encourage healthy lifestyles, such as assistance in participating in workshops to quit smoking, encouraging healthy eating habits, etc.</p> <p>The Company also held a national blood donation day, launched "Eitan Race," the only social race in Israel empowering people with disabilities, held a basketball tournament in memory of a Company employee, Oren Barzilai, OBM, hosted a sports day, SportyClal, commemorated Breast Cancer Awareness Month, etc.</p>

SDG	Target	Clal's activities
	<p>13.1 Strengthen climate resilience and adaptive capacity to climate hazards</p> <p>13.2 Integrate climate change measures into policies and strategies</p>	<p>The Company operates according to the guidelines of its environmental policy and takes environmental considerations into account during its decision-making processes. The Company also has an ESG policy relating to investments.</p> <p>The Company believes that the inclusion of ESG considerations supplements its existing analyses and is not a substitute for its current risk assessment process. Our goal is to give our members the best return while considering the impacts of our measures on the future.</p>
	<p>16.5 Prevent corruption and bribery</p> <p>16.6 Develop effective, accountable and transparent institutions</p>	<p>The Company has a central policy for the prevention of bribery and corruption. The Company and each of its employees, managers and officers are obligated at all times to comply with the statutory provisions and stringent standards regarding non-payment and non-acceptance of bribes and preventing corruption and conflicts of interest.</p> <p>The Company's management and board of directors are meticulous about creating adequate corporate governance infrastructures for all of its stakeholders and shareholders and maintaining communication channels through which the Company can bring these infrastructures to the attention of relevant stakeholders in order to ensure open discourse that builds trust between the parties.</p> <p>The Group also has a compliance and internal enforcement policy and internal enforcement programs on core issues: insurance; securities; competition; labor laws and privacy protection.</p>

# The Company's activities during the Swords of Iron War

As an Israeli institutional company, we interact with all of our stakeholders in all interfaces and join the national effort to maintain the resilience of the State of Israel through a series of extensive actions alongside many other business companies in the Israeli economy, while maintaining robust routine business operations.

At the beginning of the war, we opened a special service channel for the Company’s policyholders and family members who were directly affected by the war. This channel provides information and clarifications and answers any questions about insurance and savings relating directly to the war.

Our sales centers also set aside their routine work during the initial weeks of the war and, instead of engaging in policy sales, they called their customers to check on their wellbeing and offer assistance on behalf of the Company in relation to many issues, including providing information and referrals to NPOs specializing in exercises of rights, obtaining support through NPOs participating in Clal’s Resilience Center, such as referrals for emotional and psychological support (provided by the NPOs Eran, Natal and Mashabim), forwarding applications for financial assistance to the NPO Pitchon-Lev, referrals to the NPO Haverim Le’refuah and providing information about supplies of medicines and shipment possibilities.

We also advertised the Resilience Center established by Clal in early 2023 on various media platforms. The Resilience Center provides information to the general public in Israel about coping with emotional, health and financial hardships and, in 2025, we launched a series of digital lectures to the general public on strengthening personal resilience.

*“Israel is undergoing unimaginably painful days. During these trying times, we are witnessing the magnificence of the people of Israel – cohesive, steadfast and demonstrating extraordinary courage, solidarity and generosity. The Clal Insurance and Finance Group has implemented a series of wide-scale actions vis-à-vis all of its stakeholders and is a partner in the national effort to sustain the State of Israel’s resilience. Because only together will we prevail.”*

**Yoram Naveh, CEO of Clal Insurance and Finance**

**Additional relief and benefits we provided during the war**

<b>Business Insurance</b>	<b>Collections</b>	<b>Medicines</b>
We expanded the remote-work coverage in employers’ liability policies for a period of 30 days.	We gave extensions in premium payments in our housing and car insurance lines, and offered relief through installment payments.	We ensured home deliveries of medicines to policyholders in need who receive the Company’s commitment to pay for medicines.

<b>Automatic extension of travel insurance abroad</b>	<b>Medicines for chronic illnesses</b>
Due to the security situation, we automatically extended our policyholders’ travel insurance abroad for an additional week, free of charge.	We granted up to USD 100 to policyholders with chronic illnesses who were abroad and unable to return to Israel by the scheduled date and needed financial assistance in purchasing medicines.

# “Clal for the common good” during emergencies

## Contributing to the community

Already on day one of the war, **the Company increased its donation budget by ILS 1 million (25%)** in order to donate resources to evacuated communities, the injured, hospitals, rescue services, businesses and farmers, and to IDF soldiers on the battlefields, including conscript, reserve and police units, while continuing to support our existing social partners.

**We also established a support fund of ILS 10 million (ex gratia)** to provide aid to policyholders in respect of uninsured war damages.

**We also granted free structural and third-party insurance to cover evacuated leased apartments in northern and southern Israel** throughout the lease period, which are owned by private apartment-owners. We are carrying out this initiative in collaboration with the leading law firms S. Horowitz & Co. and Naschitz, Brandes, Amir & Co., with Israel Bar Association teams and Adv. Hila Ben-Eliezer. The lease is short and simple and enables tenants to occupy the apartment free of charge for up to three months and preserves all parties’ rights.

## Community engagement

Clal employees also sprang into action to provide help to the Israeli home front and to soldiers on the battlefield, including: families in distress and populations affected by the state of war across the country, evacuees from the communities surrounding the Gaza Strip, soldiers in regular or reserve duty at the various staging areas, families of hospitalized wounded, needy families, the elderly and Holocaust survivors. Our employees provided assistance in a variety of ways, including:

- ➔ **Telephone conversations with the elderly and Holocaust survivors**
- ➔ **Mutual aid mechanism** – financial assistance to employees
- ➔ **Connecting evacuees to hosts**
- ➔ **Community volunteering** – helping farmers, packing and distributing food baskets, wellness phone calls to the elderly and Holocaust survivors, etc.



## Purim event to support IDF soldiers and businesses in northern and southern Israel

Clal Insurance produced a Purim event for the general public in collaboration with Atidim Park in Tel Aviv in order to support IDF soldiers and businesses from northern and southern Israel. We invited soldiers from the 450th Battalion who lost four soldiers, we set up food stalls for

chefs from the north and south, and the Purim event's DJ was a soldier who was wounded in Gaza, and the event marked the first time he resumed playing since recovering from his injuries.

## Supporting employees in times of emergency

Upon the outbreak of the war, we sent guidelines to our employees for staying safe, disseminated changes in the Company's rules and regulations, updates, etc., through the intraorganizational communication networks and portal. We also added a social worker who is available to employees in the Company's offices, opened a WhatsApp group enabling parents to receive guidance from the Adler Institute on coping with children's anxiety and we kept in touch directly with employees who were called up for reserve duty, with immediate family members of the wounded and with evacuees.

We also launched a training program for all employees in maintaining and strengthening personal and organizational resilience, provided special training to managers, held round table discussions with managers, sent packages to families of employees who were called up for reserve duty, and provided activities for children during the long periods of stay at home.

We also kept in touch with our agents and attended to their needs during the war.

**Stronger together**  
Clal Insurance and Finance supports Israel's residents and security forces, and embraces the families of the injured.  
**Clal's Resilience Center**  
providing support, assistance and professional advice, at no charge, to customers of all companies, by clicking on our Button application

Professionals Human response Psychological support

**Look for the "Clal Button"**

**Clal is here for you**  
Due to the security situation, we established an assistance fund totalling **ILS 10,000,000** to provide assistance to policyholders in respect of uninsured war damages  
Clal Insurance and Finance Group operates in all interfaces with all of its stakeholders and strongly supports the national efforts to maintain the State of Israel's resilience

**ביטוח ופיננסים**

## Events and memorials

### "Sisterhood of combatants"

Memorial event for fallen women soldiers who served in the IDF and in the security forces, in collaboration with Hebrew University. During this memorial, about 50 bereaved families personally awarded scholarships to students who completed numerous tours of reserve duty during the war. During the event, each family received a memorial booklet containing the stories of all of the fallen women soldiers.



To view the memorial booklet of the women soldiers who died during the Swords of Iron War (in Hebrew), click [here](#).

## One year anniversary of October 7

We produced an activity together with the NPO Israel-Is, which created a unique project using VR (virtual reality) technology to present five personal stories from October 7. We also hosted a personal conversation with Shelly Shem Tov, the mother of hostage Omar Shem Tov, and held a ceremony with the participation of two of the Company's employees whose family members were still being held hostage in Gaza – Ilan Dalal, Guy Gilboa Dalal's father, and Keren Ben Ami, Ohad Ben Ami's sister-in-law.



## Honor tournament

The Clal Insurance team in the workplaces football league, women and men, participated in an honor tournament against Hapoel Kfar Aza and against the Foxes soccer team.



## Torah scroll for the synagogue in the Company's office building

The Clal Insurance Labor Committee initiated this addition of a Torah scroll dedicated to the return of the hostages, in cooperation with the management of Atidim Park in Tel Aviv. The scroll was hand scribed and dedicated to the return of the hostages, including Guy Gilboa Dalal and Ohad Ben Ami, family members of two of the Company's employees.



## Tour in memory of fallen members of the Druze community

Members of the Company's management, our Chairman of the Board, Haim Samet, and our CEO, Yoram Naveh, visited Daliyat al-Carmel and, during their tour, they met with members of the Druze community who lost loved ones during the war.



## Information security and cybersecurity during the Swords of Iron War

**We are deeply committed to safeguarding the information assets of our customers, employees, shareholders and regulatory entities that are under our responsibility. During the Swords of Iron War, we implemented comprehensive measures to protect the Company's systems from cyberattacks, due to the significant spike in cyber threats against businesses and institutions in Israel.**

Among the routine and emergency measures taken by the Company: protecting its information and communications systems through the use of advanced threat detection and monitoring tools; raising employee awareness; and operating an internal reporting system enabling employees to identify and report suspicious incidents in real time, to ensure that threats are eliminated quickly and precisely, etc.

# Responsible investments

## **The value of Clal Insurance and Finance’s assets under management has tripled over the last decade – from ILS 133 billion in 2012 to ILS 407 billion in the third quarter of 2025.**

In addition to our obligation to comply with ESG regulations, we consider ourselves morally obligated to maintain responsible business conduct. We believe that our obligation to manage our members’ investments properly and responsibly increases parallel to the growth in the volume of the Group’s assets under management. ESG-related investments provide advantages to investors, including high potential long-term returns. Companies engaging in robust ESG activities tend to demonstrate, inter alia, higher-quality risk management and higher resilience in crisis situations.

*“Many studies found a positive correlation between responsible investments and financial performance. One of the most interesting studies is a meta-analysis performed in collaboration with Deutsche Asset Management, which analyzed about 2,000 studies conducted between 1970 and 2015 and found that 92% of the studies found proven similar or higher returns when incorporating ESG into investments...”*

Excerpt from Clal Insurance Group’s ESG policy document in relation to investments.

To read the full document (in Hebrew), click [here](#).

## **Canaf – Clal Financial Management**

Clal Finance Management Ltd. (Canaf) is a wholly-owned subsidiary of Clal Insurance, which is one of the largest and most robust financial companies in the Israeli economy and one of the largest non-bank institutional investors in Israel.

Canaf is responsible for managing assets at the volume of about ILS 350 billion (correct to December 2024), which include the funds of pension fund members, provident fund members, senior employees’ insurance policyholders, as well as Clal Group’s equity and insurance reserves. The extensive volume of Canaf’s assets under management provides significant advantages, such as access to unique transactions, and strategic collaborations with leading Israeli and international research and investment firms.

Canaf champions the values of professionalism, excellence and innovation in all of its spheres of activity and strives to achieve fair yields for members and maximize its profits from nostro investments according to risk-reward ratios and portfolio characteristics.

### **Experience and competitiveness**

Canaf’s professional experienced teams of investment managers and analysts specialize in investments in a variety of fields. Our investment managers are supported by our advanced research and strategy departments, support and control units, a professional trading system and a variety of databases. All of these support functions serve to ensure that Clal Insurance and Finance’s investment subsidiary has a competitive advantage, thereby enabling Canaf to focus on its defined goals on a daily basis: achieving fair long-term yields for savers and maximizing profits from nostro investments.

## Investment committees

Investments of members' portfolios are supervised and controlled by designated investment committees. Our investment committees are comprised of a variety of multi-disciplinary experts with extensive business and academic experience and include a majority of outside directors. The committees convene at least once every two weeks and at a higher frequency, whenever necessary.

## Ensuring the quality of corporate governance in investments

We examine the quality of corporate governance in each Israeli corporation in which we are considering to invest according to the following criteria:

- Independence of the board of directors
- Controlling shareholders' holdings, controlling shareholder transactions and executive remuneration
- Quality of audits and supervision by internal auditors and independent auditors
- Ethics, transparency and attentiveness to the public
- Responsible investments (social and environmental responsibility).

As part of implementing this model, the various investment committees instruct investment managers to examine the quality of corporate governance.

A corporate governance rating report is attached to every analysis being performed for the purpose of considering an investment in a corporation, which our investment managers examine prior to investing in companies traded in Israel. As a rule, we prefer investing in companies with high and medium corporate governance ratings over companies with low corporate governance evaluations.

To dispel any doubt, a low corporate governance quality rating, whether in the overall score or in one or more of the measured sub-indicators does not necessarily mean that the Clal Group will refrain from investing in that corporation.

## Clal Insurance Group's ESG policy in investments

The Company has an ESG policy for responsible investments. The purpose of this policy is to implement ESG principles in the Company's various work processes, primarily responsible management of our members' funds. We formulated the policy with the help and professional guidance of Greeneye in 2022.

The assimilation of environmental, social and corporate governance considerations is a trend that is gaining momentum in the investment sector, which focuses on risk management and exploiting financial opportunities. This policy delves deeply into the various topics, enables the Company to broaden its understanding of the issues and positions responsible investments in the proper place and priority. This is a far broader, more comprehensive and in-depth policy than the Company's policy to date, and reflects the direction in which the Company is channeling its investments in the short and long term.

We believe that the inclusion of ESG considerations supplements our existing analyses and is not a substitute for our current risk assessment process. Our goal is to give our members the best return while considering the impacts of our measures on the future. Our consideration of

responsible investments is not at the expense of the financial gains that we achieve for our members. On the contrary, we include ESG considerations in our overall considerations out of our belief that responsible investments having economic horizons and sustainable impacts will provide positive yields to our members and environmental, social and ethical dividends.

*“These investments enable the community of savers – whose investments are being managed by the Clal Insurance Group – to adapt their investments to values that are important to society, the economy and the planet. Studies show that responsible investments generate profit in a way that creates value and therefore, regulatory authorities and institutional entities managing public investments share a common interest in encouraging responsible investments.”*

Excerpt from Clal Insurance Group’s ESG policy document in relation to investments.

To read the full document (in Hebrew), click [here](#).

## The policy specifying select ESG considerations:

### **Social considerations**

We measure companies’ performance in relation to diversity, occupational equality, employee wellbeing and contribution to the economy.

### **Corporate governance considerations**

We measure issues such as corporate responsibility management, management diversity, board independence and the prevention of corruption.

### **Environmental considerations**

We differentiate between controversial activities (such as fossil fuel mining, experimentation on animals, etc.) and activities having positive impacts, which relate to companies whose revenue streams are consistent with the UN SDGs.

Climate risks are the most material risks for investments in relation to all types of assets, in terms of both the regulatory, liquidity and legal risks deriving from them, and in terms of risks relating to the sources of the raw materials that could lead to the company’s operations being restricted or otherwise adversely affected.

The policy specifies our evaluation tools, investment handling and monitoring procedures and ESG analysis processes.

To read the full policy (in Hebrew), click [here](#).

## Our responsible investments

In addition to financial investments, we also manage non-tradable assets (investments), such as real estate and infrastructure projects. As part of these investments, we have invested billions of shekels in socially and environmentally responsible investments in recent years.

Among the energy projects in which we invest are energy generation from natural gas and renewable sources, such as solar energy, wind energy, hydroelectric energy and waste-to-energy technologies.

Following are the main ESG projects in which the Company has invested:

## Investments in natural gas

Investing in natural gas is one of the global measures to transition from fossil fuels to low-emission fuels. The burning of natural gas, which is a fossil fuel with higher energy utilization and efficiency, emits lower greenhouse gases than other fossil fuels.

### In Israel

- **Dalia Power:** loan for the private power plant project at the Tzafit site in the Judean Plains. This combined-cycle power plant generates 900 MW of electricity and operates on natural gas.
- **OPC Energy:** financing the construction and operation of a power plant powered by natural gas and generating 400 MW of electricity mainly during peak demand hours.
- **Dorad Energy:** significant participation in a syndicate financing the construction of a combined-cycle power plant powered by natural gas and generating 800 MW of electricity. The plant is located south of Ashkelon.
- **Mivtach Shamir Energy:** investment in a company holding one third of MRC, a power plant in Alon Tavor powered by natural gas.

### Abroad

- **Astoria Energy:** investment in shares of two efficient, state-of-the-art power plants in New York City, which are major suppliers to the city's electricity economy. The plants operate on natural gas and have a total output of 1,230 MW. This is a unique investment in collaboration with the world's leading international institutional entities.
- **CPV:** acquisition of an American energy company holding income-generating electricity generation assets in the United States. CPV also establishes and develops renewable energy projects (wind and solar).
- **Southfield:** participation in financing the construction of a combined-cycle power plant powered by natural gas and generating output of about 1,200 MW in Ohio, USA. The plant has been generating electricity since 2021. Clal is the only Israeli financier.

## Investments in solar energy

Solar energy is energy produced from the sun's natural heat and light. It is one of the most renewable and available sources of energy on the planet.

- **Ashalim Thermo-Solar:** significant participation in a syndicate financing a 121 MW thermo-solar project using parabolic trough technology.
- **Ashalim PV:** private loan to finance the construction of a photovoltaic facility generating about 35 MW near Ashalim.
- **Enlight PV:** organizing of a private loan to finance Enlight's construction of several photovoltaic facilities.
- **Zabar Solar:** investment in a renewable energy company that builds solar fields and reservoirs.

- **Ashtröm Renewable Energy (US)**: investment in the establishment of a PV field in Texas.
- **Ellomay Talmei Yosef**: the company engages in the electricity and energy sector, and Clal is participating in the financing of replacements of solar panels in order to increase their output from 9 MW to 12.3 MW.

## Investments in wind energy

Wind energy technology harnesses the kinetic energy of the wind to generate electricity.

**Sirin and Gilboa** – private loan to finance the construction of the first two wind farms in Israel, in Sirin and in Ma'ale Gilboa, for a total energy output of about 21 MW.

## Investments in energy generation from other sources

### Hydroelectric energy

Hydroelectric power plants generate electricity from the movement of water.

Clal has a significant share in a syndicate financing the construction of a hydroelectric power plant using pumped storage technology. This power plant, which was established in the Gilboa, uses the elevation differences between reservoirs to generate electricity efficiently at an output of 300 MW.

### Waste-to-Energy

Clal invested in Helios Bio Capital, a company that acquires facilities that generate electricity and gas from waste, such as wood waste or processed household waste. These facilities are located across England and can generate electricity for tens of thousands of households. Waste-to-energy technology offers clear advantages and contributes to the environment by generating clean energy through anaerobic waste digestion using specialized bacteria.

### Water desalination

Among the projects and ventures in which Clal Insurance and Finance has invested are projects focusing on technology and innovation. Many of the projects in which the Company has invested are Israeli "Blue and White" projects.

A group of investors led by Clal has acquired 100% of the Israeli company IDE. IDE initiates and operates most of the desalination plants in Israel, as well as desalination plants throughout the world.

### Desalination facilities in Israel

Financing the construction of two desalination plants, in Hadera and Palmahim, at a total volume exceeding 200 million m<sup>3</sup>.

# Organizational ethics

## Our approach towards ethics

As a public company, Clal Insurance and Finance places great importance on adhering to strict principles and procedures. The company maintains orderly procedures across various ethical domains, including competition law, investments, anti-money laundering (AML), prohibition of insider trading, and more. We are committed to operating according to high ethical standards, ensuring full and proper public transparency and maintaining open communication with our stakeholders.

We are committed to acting with integrity and fairness towards all of our stakeholders during the management of our businesses and when providing service to our customers. We also consider it highly important to ensure work environments prioritizing our human capital, and actively advance equal opportunities and employment diversity.

We are diligent about hiring employees devoid of discrimination based on gender, ethnic origin, sexual orientation or religion, and about ensuring diversity and inclusion among our employees. We strive to protect environmental quality and take action to reduce the Company's negative impacts on the environment.

We take action to maintain proper corporate governance pertaining to our board of directors' work. We treat our suppliers and reinsurers with respect, fairness and with the utmost transparency, and conduct fair negotiations with them, while fully honoring the agreements between us.

## Clal's brand promise

Clal understands that life simply happens. We succeed in seeing the big picture as well as the minute details.

We see the individuals in the totality of situations, and accompany them over time with sensitivity and understanding.

Our promise is to accompany our customers and agents over time, both during their daily encounters and in their overall life situation, and to be there for them and offer them a variety of suitable solutions that meet their needs.

## Clal's core values

### Compassion

As a company engaging in human relationships, encounters and interactions, we are cognizant of the fact that, by virtue of our roles, we are involved in the lives of our customers and agents, which also entails a wide spectrum of emotions and expectations. Our way is to conduct ourselves compassionately and demonstrate our high commitment to all of our stakeholders.

### Stability

We are a long-standing and experienced Group and are always here to provide stable and solid support to our customers and agents. As a leading institutional company in the economy, we wholeheartedly identify with the communities in which we operate and serve as an anchor of stability in the fields of insurance and finance in Israel.

## Relevance

Besides being a long-standing Group, we are also innovative and flexible, adapt to progress and evolving technologies, and continue evolving for the benefit of our customers and agents.

We accompany our customers and agents throughout their lives and provide insurance, savings and financial products to them that will be relevant to their major and minor, happy and complex moments in life.

We provide our products and services in light of these values, which prioritize solidarity, fairness and caring, in order to provide a safety net and stable ground for our customers and serve as a supporting pillar for the general public in Israel.

## Our Code of Ethics

Our Code of Ethics is based on the Group's vision and values and reflects the organizational culture, principles and ethical standards implemented in the Group's operating segments and within the context of the Group's interactions with all of its stakeholders.

We updated our Code of Ethics at the beginning of 2025. This code relates to Israeli society's fundamental values and is adapted to our business sector and to the unique characteristics of our operations, so that it addresses the variety of the Company's stakeholders, and specifically refers to agents. Our updated Code of Ethics emphasizes issues of corporate responsibility and the safeguarding of human rights.

Inter alia, our Code of Ethics defines the proper rules and norms of conduct expected of the Group's employees and managers, with the aim of strengthening Clal's positioning as the leading insurance company in Israel. Clal is committed to conducting itself in conformity with accepted principles of ethics, and therefore, it includes ethical aspects in performance reviews, feedback and during promotions of employees and managers.

Our Code of Ethics also specifically refers to ethical aspects of the reciprocal relations with the Group's subsidiaries within the framework of our business relations. Therefore, the Code of Ethics also applies to our subsidiaries and, whenever we update the Code of Ethics, we submit the updates for discussion by the Group's board of directors. We publish our Code of Ethics on the Company's website and it is accessible to all of our stakeholders.

**To view the Company's Code of Ethics (in Hebrew), click here →**

## Reporting and handling ethical issues

We encourage our employees to consult with their direct supervisors, the Company's legal advisors or relevant functionaries whenever they encounter ethical dilemmas or if they have concerns or suspicions of conduct contrary to the Company's procedures and the principles of our Code of Ethics.

The Company is committed to handling reports of ethics violations with fairness, responsibility, professionalism and maximum confidentiality, while ensuring that whistleblowers receive appropriate responses and protection from any harassment or retaliation.

### **Channels of communication available to the Company's employees:**

- Direct or indirect supervisor
- Relevant functionaries, such as the internal enforcement officer, the SOX department manager, the operating risk and control unit manager, etc.

- Anonymous reporting through the hotline operated by the Company according to the details published on the Company's website. Grievances are forwarded to the internal auditor and to the internal enforcement officer
- The Company's general counsel
- The internal auditor

In 2024, there were 10 reports to these channels. None of the reports required significant action.

## Whistleblowing Mechanism and Employee Protection

The company fosters a culture of openness and ethics through its "Reporting of Irregularities in Business Management" procedure, overseen by the Compliance Manager. Employees have access to various direct reporting channels within the organization, as well as an anonymous reporting channel operated by an independent third party, ensuring maximum confidentiality. The policy allows for reports to be submitted anonymously, with a firm commitment to maintaining the strict confidentiality of all case details and the reporter's identity. The company maintains a zero-tolerance policy for retaliation against whistleblowers and provides dedicated training on utilizing the various reporting channels. Furthermore, there is full disclosure regarding the investigation process for reported breaches to ensure thorough handling of any irregularities.

## Human Rights Charter

As a company that works for the public in Israel, we attribute utmost importance to the safeguarding of human rights. Therefore, we adopted a Human Rights Charter that specifies the principles that guide us during our activities to safeguard the human rights of our diverse stakeholders: customers, suppliers, contractors' employees, etc.

To read our Human Rights Charter, click [here](#) →

### **Commitment to Human Rights**

We uphold human rights in accordance with accepted international standards and Israeli law. We maintain a zero-tolerance policy toward any form of human trafficking, forced labor, or child labor. Operating in strict compliance with the law, we ensure fair and safe employment conditions and categorically reject abusive practices across all aspects of our direct operations, products, and services.

### **Freedom of Association**

We recognize the fundamental rights of our employees and strive to promote a democratic and respectful work environment. Accordingly, we respect the freedom of association of all employees and their right to collective bargaining, rooted in the belief that open dialogue is an essential foundation for organizational success.

### Supply Chain Responsibility

We require our suppliers and business partners to adhere to these stringent requirements, maintaining business relationships based on shared values of human rights protections and legal compliance.

### Monitoring and Enforcement Mechanisms

To ensure the consistent implementation of the company's commitments, we maintain ongoing oversight mechanisms:

- **Labor Audits:** We conduct periodic audits of suppliers and subcontractors to monitor compliance with labor laws and the protection of employee rights.
- **Contractual Obligations:** We integrate human rights compliance clauses into all business engagements, including agreements with suppliers, partners, and agents.
- **Agent Due Diligence:** We perform rigorous screening processes for new agents, which include financial, regulatory, and ethical background checks.
- **Training and Awareness:** We conduct annual training sessions for employees and managers on ethics, prevention of sexual harassment, and labor rights.

## Inculcating ethics in our organizational culture

The Group's employee training program includes various ethics-related e-learning modules. As part of our ongoing implementation plan, every employee is required to successfully complete the **Code of Ethics** training annually, which is updated periodically as needed. Additional modules—such as compliance and enforcement, AML, employee personal investments, and competition law—are assigned to employees based on their specific roles. These must be completed every one to two years, depending on the module type.

As part of the company's routine operations, ethical dilemmas and issues are addressed in employee internal communications and management meetings. Enrichment lectures are held on these topics, and ethical aspects are integrated into the onboarding process for new employees. Furthermore, we continuously monitor the percentage of employees who complete ethics training, as well as the number of suppliers and subcontractors who have signed our Code of Ethics.

### Compliance Summary

During the reporting year, there were no reported cases of corruption, bribery, discrimination, harassment, violations of customer privacy, conflicts of interest, or money laundering.

### Ethics training of 2024

Non-Certified Employees (%)	Non-Certified Employees	Employees certified (%)	Number of Employees certified	Number of Employees	training name
-----------------------------	-------------------------	-------------------------	-------------------------------	---------------------	---------------

7.9%	56	92.1%	654	710	Senior Citizens
0.9%	3	99.1%	339	342	Anti-Money Laundering (AML) - Life Insurance
3.0%	8	97.0%	255	263	Anti-Money Laundering (AML) - Pension and Provident Funds
2.2%	81	97.8%	3525	3606	Prohibition of Insider Trading
2.7%	5	97.3%	183	188	Insider Trading Restrictions in Investment Activities
3.4%	122	96.6%	3477	3599	Safety and Security
3.0%	25	97.0%	817	842	Competition Law - Part A
3.0%	25	97.0%	817	842	Competition Law - Part B
2.8%	99	97.2%	3415	3514	Business Continuity
2.1%	75	97.9%	3486	3561	Clal Insurance and Finance Code of Ethics
4.8%	9	95.2%	179	188	Employee Personal Trading
2.3%	7	97.7%	302	309	Claims Settlement
3.8%	132	96.2%	3382	3514	Prevention of Sexual Harassment
5.9%	11	94.1%	174	185	Prevention of Securities Fraud and Manipulation
4.0%	144	96.0%	3417	3561	Safety Hazards in an Office Environment
2.4%	84	97.6%	3477	3561	Compliance and Enforcement
2.7%	96	97.3%	3510	3606	Privacy Protection Regulations

## Prevention of bribery, corruption, embezzlement and conflicts of interest

We consider acts of corruption, embezzlement, conflicts of interest and bribery to be highly serious offenses. Therefore, we are committed to avoiding situations of conflicts of interest, such as: the acceptance or granting of anything of value by an employee of the Company or by anyone acting in the Company's name or on its behalf (including agents and consultants), from or to any party (including suppliers) with the aim of improperly influencing independent professional judgment in order to prejudice decision-making and/or achieve any competitive or commercial advantage other than in conformity with accepted standards of fairness and integrity.

We are committed to implementing anti-corruption norms throughout the organization, including by adapting supportive mechanisms and work processes.

In light of the importance of the issue, at the end of 2023, the Company's board of directors approved a dedicated overarching anti-bribery and anti-corruption policy.

The Company and all of its employees, managers and officers are obligated at all times to comply with the statutory provisions and stringent standards regarding the prevention of bribery, corruption and conflicts of interest.

We also work according to guidelines and accepted practices for implementing this policy, our compliance and internal enforcement policy, our embezzlement and fraud prevention policy

and the Company's Code of Ethics, including the prohibition of accepting favors, avoiding conflicts of interest, the giving of gifts and/or donations, and participating in events and sponsoring costs other than for the purposes of promoting legitimate goals.

We maintain direct channels for reporting or complaining about irregularities and deficiencies, including anonymously, to our internal audit and enforcement units.

The organization regards integrity as a core value and is committed to the active prevention of bribery and corruption across all levels of operation. To this end, we conduct periodic training for anti-bribery and anti-corruption for all employees and managers, aimed at internalizing legal requirements, identifying "red flags," and ensuring a deep familiarity with ethical procedures. In the event of a suspected violation, the organization operates according to established procedures for handling breaches, ensuring a thorough, objective, and discreet investigation of every report. The organization maintains a zero-tolerance policy toward misconduct; accordingly, corrective or disciplinary actions will be implemented against those who violate the policy. These measures may include updating internal procedures to prevent recurrence and, where necessary, severe disciplinary action up to and including termination of employment and referral to legal authorities.

# Corporate governance

Clal Insurance and Finance is a company without a control core (since 2020) and, as such, prioritizes corporate governance and proper management.

The Company's management and board of directors are diligent about maintaining proper corporate governance infrastructures for all of our stakeholders and shareholders, and about maintaining communication channels through which the Company can inform relevant stakeholders about these infrastructures and stimulate open dialogues that deepen trust between the parties.

## Appointment and election of board members

Directors of Clal Insurance and Clal Holdings are appointed in conformity with the instructions of the Capital Market Commissioner and the provisions of the Companies Law, with most members of the board of directors of Clal Insurance being recommended by an external search committee headed by a retired judge. Directors of Clal Holdings are appointed during a shareholders' meeting, subject to the statutory provisions. Mr. Haim Samet has been holding office as Chairman of Clal Insurance and of Clal Holdings since 2021.

Board members are elected annually in conformity with the Company's Articles of Association.

A general meeting in January 2023 appointed six directors (four incumbent directors and two new directors nominated by shareholders). General meetings held in December 2023, December 2024 and November 2025 reappointed all of the incumbent directors.

### Board Independence and Governance Structure

We operate in full compliance with Israeli law and the corporate governance rules applicable to public companies in Israel, including the requirement to appoint at least two External Directors who meet strict independence criteria. Given that the Company is a company without a controlling core, all members of the Board of Directors are considered independent under the law, with the exception of the Chairman of the Board.

Furthermore, the Company has adopted a more stringent internal policy, mandating that at least half of the Board members must be Independent Directors. This policy is designed to ensure balance, effective oversight, and unbiased judgment in all decision-making processes.

Our definition of independence is based on a series of substantive criteria, including:

- **No recent executive role:** Absence of any management position within the Company in recent years.
- **No family ties:** Absence of family relationships with senior officers.
- **Compensation limits:** No material financial compensation from the Company or its subsidiaries beyond standard director fees.
- **No consulting or service agreements:** Absence of personal service or consulting contracts.
- **No material business ties:** Absence of significant business relationships with major suppliers or customers.

- **No ties to supported NGOs:** Absence of affiliations with non-profit organizations that receive material support from the Company.
- **Auditor independence:** No relationship with the external auditor.
- **No conflicts of interest:** Absence of any other conflict of interest that could impair independence or professional judgment.

## Board of Directors of Clal Holdings

Haim Samet, chairman	Yair Bar-Touv (outside director)
Aharon Fogel	David Granot
Hana Mazal Margaliot (Mali)	Maya Liquornik (independent director)
Moshe Abramovich (Muky) (independent director)	Shmuel Schwartz (outside director)

## Board of Directors of Clal Insurance

Haim Samet, chairman	Yair Bar-Touv	Shmuel Schwartz
Aharon Fogel	Eli Shemesh	Moshe Abramovich (Muky)
Gad Arbel (independent director)	Daniel Vaknin (independent director)	
Judge Varda Alsheikh (retired)	Dr. Rachel Adato (independent director)	Prof. Orly Sade Ben Ami (independent director)

Correct to 31.12.2024

Director Participation Rates (Board and Committees):							
Haim Samet	Shmuel Schwartz	David Granot	Mali Margaliot	Maya Liquornik	Yair Bar-Tov	Aharon Fogel	Mooky Abramovici
Board of Directors: 19/19 (100%)	Board of Directors: 19/19 (100%)	Board of Directors: 19/19 (100%)	Audit Committee: 7/7 (100%)	Board of Directors: 18/19 (94.7%)	Board of Directors: 19/19 (100%)	Board of Directors: 19/19 (100%)	Board of Directors: 19/19 (100%)
Investment Committee: 1/1 (100%)	Audit Committee: 7/7 (100%)	Audit Committee: 7/7 (100%)	Investment Committee: 1/1 (100%)	Audit Committee: 7/7 (100%)	Audit Committee: 7/7 (100%)	IT Committee: 4/4 (100%)	Audit Committee: 7/7 (100%)
IT Committee: 4/4 (100%)	Financial Statements Review Committee: 5/5 (100%)	Financial Statements Review Committee: 5/5 (100%)			Financial Statements Review Committee: 5/5 (100%)	Class Actions Committee: 2/2 (100%)	Financial Statements Review Committee: 5/5 (100%)
Class Actions Committee: 2/2 (100%)	Compensation Committee: 5/5 (100%)	Compensation Committee: 5/5 (100%)			Compensation Committee: 5/5 (100%)	Investment Committee: 1/1 (100%)	Compensation Committee: 5/5 (100%)
	Class Actions Committee: 2/2 (100%)	Class Actions Committee: 2/2 (100%)			IT Committee: 4/4 (100%)		IT Committee: 4/4 (100%)
	Investment Committee: 1/1 (100%)	Investment Committee: 1/1 (100%)					

## Board Gender Diversity

Clal Holdings is a company without a controlling core. Shareholders propose the candidates, and the company's management and board of directors have no direct influence over this process. However, it was determined that the company shall strive for a board composition in which at least 30% of the directors are women.

## Professional experience and academic background of our board members

All members of our board of directors possess financial expertise. Our directors formerly held office and some are still holding office as directors and/or officers of other companies, as CEOs, CFOs, chairmen, etc. Our board members have diverse and extensive academic backgrounds, including in accounting, business administration, actuarial science, risk management and law.

## Training of directors

As part of enhancing the quality of corporate governance, the Clal Insurance and Finance Group operates a training program for incumbent directors in the Group's businesses and in laws applying to the Group and to the board of directors. Our training program is customized

and tailored to the directors' roles and includes conferences, enrichment lectures, courseware in a variety of relevant and evolving fields, etc. The Group's directors' training program also serves to ensure that its boards of directors sustain their high levels of knowledge and professionalism.

The Company also holds annual internal enforcement conferences for directors and managers that focus on the Company's compliance policy and internal enforcement programs.

## **Board committees of Clal Holdings**

Audit committee

Balance sheet committee

Nostro investment committee

Remuneration committee

IT committee

Class actions committee

## **Effectiveness of the board of directors**

Our measures to assess the effectiveness of the work of the board of directors include monitoring board members' attendance and enforcing the required meeting attendance ratio during board meetings.

## **The board of directors' management of corporate responsibility**

The Group's board of directors participates in approving decisions and policy documents pertaining to corporate responsibility. Our board of directors' direct involvement derives from the importance attributed to ESG and sustainable development issues in the Group's overarching strategy, and their recognition as important aspects of its core business.

During the report period, our board of directors was involved in approving the Company's ESG policy and Human Rights Charter and also approved updates to our Code of Ethics, environmental policy and anti-bribery and anti-corruption policy.

## **Proper management, compliance and statutory mechanisms**

The Group's operations in various fields are subject to provisions of general law and to statutory provisions applying to each relevant operating segment. Our insurance and pension savings operations in Israel, which are the key component of the Group's operations, are also subject to laws applying specifically to this sector, including the Insurance Law and the Provident Fund Law. Clal Insurance and Clal Credit Insurance hold insurer licenses for the operating segments relevant to their operations. Clal Pension and Provident holds a provident fund management license.

The companies in our Group are subject to supervision by various supervisory authorities. In recent years, regulatory authorities, including the Competition Authority and the Privacy Protection Authority, have been vested additional law enforcement and reporting powers. From time to time, companies in our Group are exposed to administrative enforcement proceedings and the imposition of fines by various regulatory authorities, and to class actions relating to various issues deriving from statutory provisions applying to institutional entities.

The Group has a compliance and internal enforcement policy and internal enforcement programs on core issues: insurance; securities; competition; labor law and privacy protection.

As part of its policy implementation activities and enforcement programs, the Group conducts compliance surveys and takes action to eliminate any deficiencies whenever any are found; updates and validates the Group's procedures and supporting internal regulatory documents; designs and distributes courseware and provides workshops on relevant topics; provides training activities, periodic internal enforcement conferences, and more.

## Class actions

Over the past decade, as part of a general trend in markets in which the Group operates, there has been a significant spike in the number of motions to certify class actions being filed against the Group that the courts have recognized as class actions. However, in recent years, the Company has been working proactively to settle such lawsuits, which has resulted in a significant decrease in their number and severity.

In 2023, 12 motions to certify class actions were filed against companies in the Group; in 2024, 7 motions to certify class actions were filed against companies in the Group.

## Remuneration policy

In January 2023, the shareholders' meeting approved a remuneration policy for 2023-2025. In November 2025, the shareholders' meeting approved a remuneration policy for 2026-2028. This policy is designed to help the Group achieve its goals and advance its work plans from a long-range perspective and while taking risk management into account. Most of the Group's companies are subject to the provisions of the Remuneration of Officers of Financial Corporations Law – Special Authorization and Inadmissibility of Expenses for Tax Purposes due to Exceptional Remuneration (2016). Additionally, the Clal Group, which also includes MAX (acquisition completed in 2023), is subject to Bank of Israel and Capital Market Authority directives pertaining to executive remuneration.

During the formulation of our remuneration policy, we considered, inter alia, the salary levels and employment terms customary in the Group and in similar companies, the goal being to increase the Group's competitiveness in recruiting and retaining high-caliber professionals in senior management roles in the Group. We also considered organization-wide aspects, such as desirable remuneration differences between various echelons.

The policy document specifies the remuneration policy for officers and directors of the Group in compliance with provisions of Amendment 20 to the Companies Law and the other relevant arrangements. The Company's subsidiaries also adopted a remuneration policy in conformity with directives of the Capital Market Commissioner applicable to the Company's officers, while Max approved a remuneration policy in conformity with the Bank of Israel's directives.

For the remuneration policy of the Company and of MAX (in Hebrew), [click here](#).

More information about the board of directors and its activities can be found [here](#)

## Legal proceedings

In 2023 and 2024, there were no legal, criminal or administrative proceedings against the Company or its officers, and no fines were imposed on the Company by a regulatory authority in Israel.

## Tax Policy

The Group is committed to ethical and transparent business conduct and operates in full compliance with tax laws and regulations in all jurisdictions in which it operates.

As a Group whose core activity as an insurance company is centered in Israel, the company conducts itself in accordance with Israeli law, maintaining strict adherence to local regulatory requirements and engaging in transparent and professional dialogue with the tax authorities. In the insurance sector, there are agreements between the tax authorities and the Israel Insurance Association that are updated from time to time; the Group ensures their full implementation.

When managing investments for the company and its members in the international arena, we act in full compliance with the tax laws, regulations, and local rules of each individual country. The company undergoes periodic audits by the Tax Authority, which it has successfully passed over the years. Furthermore, the company's tax reports are audited by an independent, external professional body.

## Membership in Professional Associations and Forums

The Company participates in a range of professional associations and forums within the insurance and financial services sectors, including: the Association of Insurance Companies in Israel, the Association of Life Insurance Companies, the Association of Corporate Counsel in Israel (ACC), the Israel Association of Publicly Traded Companies, the Israel Association of Actuaries, the Maala Corporate Responsibility Organization, and the Israeli Marketing Association.

The Company does not engage in lobbying activities related to the climate crisis. In 2025, the total cost of membership fees paid to professional associations amounted to approximately 2.5 million NIS.

In addition, the Company does not make political donations to politicians or political entities, nor does it receive grants or financial support from the government.

# Risk management in the Group

## **We routinely monitor, assess and manage short- and long-term risks according to the “three lines of defense” methodology.**

The boards of directors of the Group’s companies defined the framework of their risk appetites and limits deriving from the various key risks, and set policies addressing risk exposures, risk assessments and limits for the various risks as well as risk control and reporting procedures. The boards of directors monitor compliance with the defined limits through reports regularly submitted to them. The board of directors of Clal Insurance appointed a risk management committee to augment supervision and The overall risk management of the company is overseen by a Chief Risk Officer. Ongoing control and supervision of investment management are carried out by separate investment committees for nostro funds, for funds managed in pension funds and provident funds and for yield-dependent policies.

In conformity with its risk management policy the Company is developing a comprehensive suite of tools to address a wide range of scenarios, including potential future extreme events. We define relevant solutions aimed at identifying, quantifying, managing, mitigating, and, where necessary, preventing various risks.

As an insurance and financial services provider, risk factors are systematically integrated and weighted across all company activities. This is particularly emphasized in the design of new products and services, as well as throughout our investment activities.

Discussions of risk factors also include forward-looking information and the Group’s assessments or intentions for the future. The assessed impact of risk factors is based on analyses of endogenous and exogenous organizational variables and on the judgment of the Group’s management, based on the information available at the time of the assessment. The Group also takes into account the assessed probability of risk materialization, the actions needed to mitigate the various risks and their potential outcomes.

The financial statements include disclosures about various risk factors, including macro risks (such as an economic slowdown in Israel, market risks and demographic risks), sectoral risks (such as legislative and regulatory amendments, catastrophe risks and legal risks) and Group-level risks (such as operating risks, information systems risks, cybersecurity risks and climate risks), and modes of contending with these risks.

We similarly monitor, assess and manage the Group’s ESG risks, including environmental quality, climate, human rights and safety risks.

The Company manages all risks systematically, including performing up-to-date exposure assessments and presenting them to the relevant management and oversight bodies. Within this framework, all material risks are detailed, along with the solvency ratio, which is publicly disclosed in our financial and regulatory reports. The calculation of exposures is conducted in accordance with regulatory directives and under ongoing supervision. In line with these requirements and subject to the Company’s risk appetite, we continuously monitor and manage our risk profile.

As part of our commitment to increasing organizational awareness, we conduct employee training across various risk domains. This includes mandatory e-learning modules in areas such as Ethics, Safety, Business Continuity, Antitrust/Competition Law, Anti-Money Laundering (AML), and more.

## Internal auditing

Our internal audit department operates according to four-year work plans and annual work plans deriving from the multi-year plans. The internal audit department decides audit topics based on its risk surveys, which focus, inter alia, on the financial volume of every activity proposed for auditing and on exposures to the operating, regulatory and other risks inherent in each activity.

The Company performs periodic audits of its risk management processes at least once every two years, in accordance with the Internal Audit work plan and regulatory requirements. Additionally, dedicated audits are conducted in the areas of operations, technology, information security, and regulatory compliance.

The Company also commissions independent external audits as needed to evaluate the effectiveness of its risk management framework.

## Cybersecurity and information security risk management in the Group

The Company is exposed to cybersecurity risks, mainly due to the volume of sensitive information in its possession and the volume of funds it manages. These risks include, inter alia, disruption of work processes, disruption of systems availability, corruption of information and violation of the confidentiality of information in the Company's possession as a result of unauthorized use of its information assets and/or failures in its information security system and/or actions by hostile parties, such as cybercriminal groups.

We implement the cybersecurity policy approved by the Group's board of directors, inter alia: by vetting during employee hiring processes and before engaging with suppliers; by increasing employee awareness; by maintaining physical security; network protection; system and application protections; processes of compartmentalization of authorizations and separation of roles; monitoring and control tools, etc.

Whenever we use material outsourcing services, we ensure structured risk management and verify service-providers' commitments to complying with our information security requirements. We also perform information security inspections at our suppliers and independent resilience testing of their information security systems, with the assistance of entities specializing in information security system testing.

## Climate and environmental risk management

Climate change is considered a global risk that is expected to cause increases in the frequency and intensity of natural disasters worldwide, which will adversely impact global social and economic systems. Therefore, the potential impacts of climate change affect the entire economy, including the insurance sector. In light of this, we meticulously manage climate risks as an integral part of our environmental risk management system in order to minimize their potential negative impacts, based on our belief that insurance is an economic tool designed to mitigate risks and enable better recovery capacity and higher resilience.

Environmental risk is the risk of loss as a result of statutory and regulatory provisions pertaining to environmental quality and their enforcement. In recent years, the definition of environmental

risk has been expanded and today, it is generally considered a global risk deriving from the potential harmful effects of environmental changes as a whole on people, ecosystems and on economic and financial activities. These environmental risks include air, water and soil pollution, damage to biodiversity, the effects of climate changes, etc.

The effects of climate and environmental changes could cause damage to private and public property and could also result in personal injuries. Studies indicate that, in the long range, the insurance sector can be expected to contend with an increase in the volume of property damage and mortality claims being filed and therefore, the sector should prepare for this eventuality and adapt itself accordingly.

Considering the importance of this issue, CIal Insurance updated its environmental policy at the beginning of 2025. We are also taking action to increase environmental awareness among our employees and are investing the necessary resources to increase energy efficiency and reduce our negative impacts on the environment. Concurrently, we are continuing to monitor developments in relevant regulations and requirements and take action to implement the guidelines accordingly.

In addition, the Company integrates climate risk management into the underwriting process and the assessment of new policyholders. This includes evaluating geographical exposures, asset characteristics, and transition risks. Climate-related risks are defined as an emerging risk and are integrated into the Corporate Risk Map.

As part of its risk management framework, the Company maintains reinsurance agreements with leading international reinsurers, designed to address large-scale catastrophic events. The Company continuously monitors the financial resilience and stability of its reinsurers under various global climate disaster scenarios.

# The Company's service and customers

Clal Insurance and Finance engages in the provision of services in the fields of insurance and long-term savings, including general insurance, health insurance, life insurance and pension and provident products, to both private customers and to companies and businesses. The Group also holds other assets and businesses, such as holdings of insurance agencies.

## Our service approach

Our service constitutes a key core value and the link that connects us to about three million customers. Service is an integral part of the Group's business strategy, which recognizes customer experience as a key component of its success.

All of the Group's departments are committed to providing excellent and efficient service experiences. Clal's service representatives have more than three years of experience, among the highest in the sector. The Company invests considerable resources in training and in the employment terms of its service representatives in order to retain its high-caliber human capital in this field, based on the belief that service representatives' knowledge and experience contribute highly to the customer experience. We are also diligent about investing in the professional development of our service employees.

We also take action to make services accessible to customers through technological means and to develop innovative products and services tailored to the changing needs of our customers.

We invest in the development of advanced means for providing service responses, based on mapping and identification of customers' needs. During the report period, we integrated AI systems to further improve customer service and shorten handling times.

We will continue taking action to continuously improve our services in order to maintain and further improve satisfaction among all of our customers and stakeholders.

## Types of customers

### **Long-term savings**

Salaried and self-employed members, employers, private and business/collective policyholders

### **General Insurance**

Private, business and third-party policyholders

### **Health Insurance**

Principal customers are private and business policyholders

## Service values

We are continuing to take action to maintain our positioning as a leading, innovative and caring company. We formulated a new service strategy in recent years, which defines trust as a value that is key to the Company's success: to create stable, strong and genuine relations with our customers (policyholders and agents), to be readily available to them in good times and in

moments of truth and to provide security and peace of mind to them. We do all this while striving to create and maintain relationships based on transparency and genuine commitment.

Our service strategy and guiding values are reflected in our Service Charter, which is published on the Company’s website:

Fairness	Respect	Professionalism	Transparency and simplicity
Availability	Attentiveness	Constant learning and improvement	

Our Service Charter also includes channels for contacting us and the response times for handling customer queries – our commitments to provide swift, high-quality service.

We strive to provide excellent, high-quality service at the moment of truth to our customers and agents. Accordingly, we are diligent about launching digital tools, innovative services and unique products that are tailored to the changing needs of our customers and enable them to receive service and manage their insurance and savings products from anywhere and at any time.

We encourage dialogues with our customers through a wide variety of channels, with the aim of maintaining ongoing processes of learning, drawing conclusions and improving the customer experience. As part of this approach, the Company constantly develops effective service monitoring, measurement and control tools.

## **Improving customer experience – Magic Moments**

We launched our innovative Magic Moments program with the goal of changing perceptions of the traditional relationships between insurance companies and customers, which usually focus on policy renewals or on insured events. This unique customer experience program, which is based on in-depth analyses of customer data, is designed to strengthen our empathetic interactions with them during the most significant moments in their lives.

We strive to create unforgettable moments through exciting and personalized experiences that are precisely tailored to the needs and circumstances of our customers throughout their lives – from childbirths, birthdays and significant milestones, such as children entering first grade or being inducted into the IDF, to buying a home, retiring, etc. For example: we invited our customers whose children were starting first grade to a parents-and-children event at Cinema City; customers who moved to another home received a link enabling them to design their own family name signs for their front doors as a gift; customers who purchased cars received a voucher for coffee and pastry, and many other activities. We also initiated activities on holidays: for Passover, we sent our customers a personally designed photo album; for Rosh Hashanah, outstanding customers in our Clal Behave car insurance track received a surprise phone call from Eyal Kitzis (a popular Israeli performer) and a free car wash.

In addition to these events, we also express our solidarity with our customers throughout insurance periods, such as issuing rewards for excellence, rewards to young drivers for safe driving, rewards to long-term customers, sending speedy recovery packages to customers after an accident or medical procedure, such as surgery, etc.

During the Swords of Iron War, we initiated personal support calls to our customers and offered assistance in many areas, sponsored a webinar with Dr. Yael Doron on the subject of resilience during crises and referred them to Clal's Resilience Center.

All of these attest to our deep commitment to creating extraordinary customer experiences and to building long-term relationships based on trust, caring and genuine value.

## Gauging our customers' emotions – The EVI Model

We understand that a critically important aspect of customer service is our customers' emotions throughout their relationships with us. As part of our constant striving for service excellence, we recently implemented an innovative model – EVI (Emotional Value Index). This unique metric enables us to quantify and deeply understand our customers' emotions during their interactions with us.

Focusing on the emotional dimension constitutes a key factor in improving the service we provide. Being sensitive to customers' emotions contributes directly to the creation of holistic, high-quality and mainly positive and meaningful customer experiences.



## Service accessibility

As a leading institutional company in Israel, we attribute considerable importance to providing equitable and accessible service to people with disabilities, while maintaining their dignity and privacy.

The Company employs accessibility coordinators specializing in infrastructure and buildings and in service-provision, and we provide training and updates to our employees in our

accessibility procedures. We also encourage the hiring of people with disabilities in the Company.

All of the Company's sites are accessible, and all employees are obligated to complete accessibility courseware annually.

Our service employees are trained in providing service to customers with disabilities, and our call center provides service via WhatsApp, email and SMS. The Company's website is also adapted and enables the receipt of information in an accessible manner.

## Service to senior citizens

We constantly take action to improve the service that we provide to senior citizens and are implementing the Capital Market Authority's directives in this regard so ensure that they meet the needs of this population. The Company's VP Service is responsible for these efforts.

The Company made comprehensive and detailed adjustments to all aspects of providing service to senior citizens, including in relation to calls to customer service, during processes of joining insurance policies, settling claims, etc.

To this end, we also approved a policy and procedures for providing services to senior citizens and a work plan for its implementation. We also provided dedicated training to our service employees, installed a dedicated router for automatic referrals to service representatives, shortened response times in our customer service, claims settlement and ombudsman departments, and we proactively communicate with senior-citizen policyholders in order to provide explanations and material information at key junctures in their lives.

## Rankings and awards

### Adif's winners of the year

Adif Communications is a prestigious Israeli organization engaging in the insurance sector. In 2024, we won two awards during the Adif Conference in the categories of **Marketing Innovation of the Year** and **Product of the Year** in the general insurance sector.

In 2024, we launched a new media language and an innovative logo reflecting Clal's evolution from a long-standing renowned brand in the insurance and long-term savings sectors to an updated and innovative brand that differentiates Clal from all other companies in the insurance and finance sector.

We also won the **Product of the Year** award in the general insurance category for the innovative automated interface that we developed through the GIS system – a geographic data management system integrated into a unique model for apartments, which automatically deepens and fine tunes information in our home insurance policy issuance systems. This innovative interface enables us to streamline and significantly simplify the sales process and to provide significant added value to our agents and customers.

At the Adif Conference in 2023, we won the **Insurance and Finance Group of the Year** award, thanks to the business momentum we achieved in recent years in all of our core business segments.

The Company also won the 2023 **Strategic Action of the Year** award for its acquisition of a controlling stake in the MAX credit card company. This strategic entry into the consumer credit sector is beneficial for the Group and for the entire Israeli economy. The acquisition

strengthens the Group in another major economic business sector alongside its operations in the insurance sector, and constitutes an important growth engine for the Clal Group.

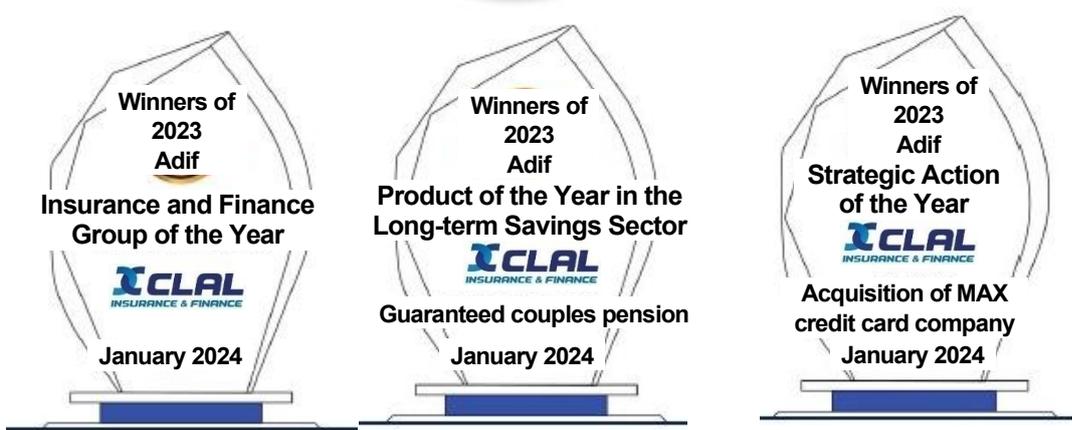
## Customer satisfaction

We measure customer loyalty and satisfaction, inter alia, by the Net Promoter score – how likely are you to recommend our service to a friend?

**Index score for 2023**                      **53%**

**Index score for 2024**                      **43%**

This and other indices help us evaluate our services, and we take action to continuously improve service.



## Report of the Capital Market Authority's ombudsman

The report of the Capital Market Authority's Ombudsman for 2022 (published in 2024) found that Clal Finance and Provident is **the most outstanding company in the pension sector, with the lowest ratio of grievances relative to its market share.**

The report summarizes the outcomes of evaluating the handling, information and quality of service provided to the Israeli public when they contact the institutional entities. This report serves as a tool for examining institutional entities' fairness and professionalism, for improving service and work processes and for increasing public trust.

Clal Insurance also demonstrated significant improvement in most areas – a 50% decrease in the number of complaints over the last few years and in the ratio of justified complaints, in contrast to the overall uptrend in the insurance sector.

The data in the report reflect the high standards of service that we provide to our customers, the positive outcomes of our upgrades to the technological capabilities of the Company's systems in recent years, and our responsible activities in relation to public queries.

## Capital Market Authority's Pending Index

Clal Insurance and Finance was ranked in **1<sup>st</sup> place in the insurance sector** and received top rankings in the pension fund, provident fund and continuing education fund categories in the Capital Market Authority's Pending Index in 2024, which reflects the rate of absorption of the public's long-term savings by the various institutional investors.

In the insurance category, we received the highest score – **94.5 and were ranked in 1st place.**

In the pension category, we received the score of **95.8 and were ranked in a respectable 2nd place.**

In the categories of provident funds and continuing education funds, we were among the **top rankings with scores of 93.2 and 95.2**, respectively.

# Financial Inclusion

## Principles of Financial Inclusion

At Clal Insurance and Finance, we are committed to promoting financial inclusion and ensuring the accessibility of our services to all our customers, particularly people with disabilities and senior citizens. As part of our commitment, we operate with integrity, professionalism, and fairness, providing transparent, clear, simple, and full disclosure of information required by the customer while protecting privacy and confidentiality. We offer products that meet the diverse needs of our customers and adapt our service channels accordingly. We ensure the realization of rights for the company's customers and work constantly to improve service processes and promote innovation in the company's services and products.

Furthermore, we operate accessible inquiry mechanisms, promote physical and digital accessibility in our systems, and manage an **Ex-Gratia Fund** that provides insurance coverage in special cases where a complementary response is required for the benefit of our insureds. Through these efforts, we work to reduce barriers, ensure fair and respectful service, and provide accessible, responsible, tailored, and sustainable financial solutions for all our customers.

Additionally, we provide access to information and non-financial support through the **Clal Resilience Center**, a digital platform on our website and the "Clal Button" app. This center centralizes information regarding non-profits, community services, and assistance providers for financial, emotional, and health resilience.

A senior manager is designated for each area of the financial inclusion policy, responsible for that domain as part of their role.

## Tailored Financial Products

We attach great importance to promoting financial inclusion through the development and accessibility of products and services tailored to the needs of populations facing economic and social barriers. These products are designed to expand the ability of populations with unique needs to obtain insurance protection, build financial resilience, and integrate fully and securely into the economy.

- **Life Insurance for Mortgage Repayment for People with Life-Shortening Disabilities – "Shoham Nagish":** An individual who applied for a life insurance policy for mortgage repayment and was declined due to a specific medical condition can purchase a life insurance policy for people with life-shortening disabilities. This is subject to an appointed actuary reviewing the candidate based on their medical data and confirming that they meet the legal definition of a "person with a life-shortening disability."
- **Insurance for Disabled Persons' Vehicles:** We offer our customers collective insurance for disabled persons' vehicles, including an attractive rate for vehicle insurance and accessories coverage, as well as payment for transport services: expenses incurred by the insured for transport services due to the vehicle being disabled by an insured event covered under the policy.
- **Reverse Mortgage:** We offer reverse mortgages for seniors, understanding that this population requires dedicated tools adapted to their unique situation. This product

allows us to provide financial assistance to veteran customers by turning their owned apartment into an immediate source of liquidity without burdening their limited budget with monthly repayments. In this way, we provide a safety net for a diverse population in need of funding for living, health, and welfare expenses, allowing them to age with dignity and financial wellbeing in their own homes.

- **Clal Behave:** Vehicle insurance in the Clal BEHAVE track is a comprehensive insurance policy that allows customers to pay less the more carefully they drive and/or the less they use their vehicle. The discount provided is monthly, adapted to driving habits and mileage, and changes accordingly. This track enables improved driving safety and a reduced price for customers. Many parents of young drivers use this service to receive feedback on their children's driving behavior while also receiving a reduced premium.

### Products Tailored to Diverse Populations

As a company operating in a diverse environment, we strive to adapt our services and products to the changing needs of different audiences. We understand the importance of making our solutions accessible to diverse populations and endeavor to take this into account in our planning and development processes, with the goal of providing relevant and convenient service to all our customers.

- **Halacha Tracks:** Insurance, pension, study fund (Hishtalmut), and provident tracks tailored for the religious and Haredi public, subject to the provisions of the law and Jewish Halachic rules exclusively.
- **Coverage for Surrogacy Services and Fertility/IVF Treatments in Israel – Exclusive to Clal Insurance:** Clal Insurance and Finance is the only company in Israel that provides insurance coverage for surrogacy and fertilization services for these populations. We identified a lack of response for these populations in any other insurance company in Israel and created an innovative coverage that provides a tailored response.

### Services Tailored to Diverse Populations

#### Tailored Service for People with Disabilities

We place great importance on adapting and making our service accessible to people with disabilities. The company has an **Accessibility Coordinator** responsible for this field, who can be contacted directly through the company website. We work in cooperation with the "Access Israel" organization and regularly conduct accessibility training for company employees to embed this topic across all service processes. The company's services, buildings, website, and forms are adapted for people with disabilities according to the law. As part of our commitment to optimal accessibility, we were awarded the "Accessible Organization" seal by the "Access Israel" organization.

#### Tailored Service for Senior Citizens

We are constantly working to improve the service we provide to senior citizens, in parallel with implementing the Capital Market Authority's instructions on the matter, to suit the needs of this population. The company's VP of Service is responsible for this area. The company has performed a comprehensive and detailed adaptation regarding service for senior citizens, including customer service inquiries, insurance joining processes, claims settlement, and more. For this purpose, a service policy for senior citizens was approved, and procedures and a work plan for its implementation were defined. As part of this, dedicated training was

conducted, and a dedicated routing line was allocated with automatic referral to a service representative. Response times were shortened in customer service, claims settlement, and public inquiries, and proactive calls are made to provide explanations and essential information at key intersections in the lives of the insured.

### [Inquiry Mechanisms and Continuous Improvement](#)

A wide range of inquiry channels is available to all the company's customers, both by telephone and in writing: a telephone service center, the company website, the insurance agents who work with us, and the Public Inquiries Unit. Additionally, the VP of Service can be contacted directly through the company website.

We conduct regular satisfaction surveys, both internally and after every inquiry from a customer, agent, or employer. Survey results are forwarded to the responsible manager for investigation, resulting in the implementation of continuous improvement processes. Furthermore, there is a compensation model for managers based on survey results, from the representative level to the division manager level.

Beyond this, external measurement of satisfaction is conducted by the Capital Market Authority and other bodies in comparison to competing companies. We are proud that in these measurements as well, the company consistently wins high scores and leading rankings, reflecting our customers' great trust in us. This issue is handled systematically in the Public Inquiries Unit, alongside proactive monitoring of service calls and dedicated work plans for continuous improvement. In recent years, we established an **Organizational Excellence Unit**, which includes a **Customer Experience Manager**. As part of his role, he maps gaps and works to improve the customer experience holistically across the entire organization.

### [Assistance in Special Circumstances – The Ex-Gratia Fund](#)

Through the Ex-Gratia Fund, the company provides insurance coverage to insureds for insurance cases beyond the conditions defined in the policy. These are exceptional cases that could cause significant economic harm. The fund is intended for all fields of insurance, including health and critical illness insurance, and integrates principles of transparency, fairness, and social responsibility into its activities to ensure support for customers in times of crisis. Additionally, we established an additional Ex-Gratia Fund totaling NIS 10 million due to the "Swords of Iron" war. The fund is intended to assist insureds for war damages not included in the policy.

### [Clal Resilience Center – Emotional, Financial, and Health Support](#)

The Clal Resilience Center is a leading social project of supreme importance in our daily reality, providing information and assistance in moments of distress in the following areas: emotional, financial, and health, in cases where professional help and guidance are required. This is a professional platform developed in the "Clal Button" app and on the company website, which is open and accessible to the entire Israeli public at no cost. The project is conducted in cooperation with leading associations and organizations in Israel that provide information and services in various fields of resilience:

- **Emotional Resilience:** Response to stress and anxiety situations, family distress, depression, sexual assault, and more.

- **Financial Resilience:** Planning, consulting, and assistance in the financial field due to sudden economic changes, tools for coping with the situation, financial solutions, budget management, and more.
- **Health Resilience:** Consulting, assistance, and guidance regarding long-term care and critical illnesses.

The Resilience Center is open and accessible to the public, free of charge, on the Clal Button app and the company website: <https://www.clalbit.co.il/hosen/>

**The partner associations and organizations in the Clal Resilience Center:** ERAN, ELEM, Na'amat, Paamonim, Michal Sela Forum, The Israel Cancer Association, Halasartan, Lema'anchem, NATAL, Mashabim, Ezer Mizion, Pitchon Lev, Haparpar, Krembo Wings, Chaverim L'Refuah, Matnat Chaim, Helm Club, SAHAR.

## Integrating ESG Considerations into Underwriting Processes

Clal Insurance integrates ESG considerations as an integral part of its corporate risk management framework and underwriting policy within the Elementary Property and Casualty (P&C) branches. This integration is designed to support underwriting discipline, enhance the identification of material risks, and reduce volatility in underwriting results, in accordance with the risk appetite approved by the Board of Directors.

### Environmental (E)

Underwriting processes include the systematic identification and assessment of exposures to extreme climate events and environmental risks with the potential to materially impact the frequency and severity of claims. This evaluation is conducted at both the individual risk level and the insurance portfolio level, taking into account geographic location, type of activity, and risk concentrations. These factors are weighed when determining policy terms, limits of liability, and pricing. Relevant findings are also considered within the framework of risk concentration management and reinsurance strategy.

In liability policies (Third-Party and Employers' Liability) and in certain property policies, we include specific exclusions regarding these issues, such as:

- **Loss due to Pollution**
- **Nuclear Risks**
- **Radiation and Electromagnetic Field Losses**
- **War and Terrorism Risks**
- **Asbestos**
- **Silicosis**

### Social (S)

We evaluate factors affecting liability risks, specifically Employers' Liability, Third-Party Liability, and Product Liability, including safety culture, claims history, legal and regulatory exposures, and the complexity of the supply chain. These factors influence risk classification, policy terms, and deductible levels, supporting underwriting consistency and proactive risk management.

### **Governance (G)**

Risk assessment includes an evaluation of management quality, control and compliance mechanisms, ownership structure, and management's experience in risk management. These considerations are particularly relevant in liability insurance and complex risks, serving as a supporting factor in differentiated underwriting decisions and the definition of coverage terms.

### **Implementation and Monitoring**

ESG considerations are integrated into underwriting decision-making through a combination of quantitative and qualitative tools. They are subject to ongoing oversight as part of risk management, management reporting, and the continuous updating of underwriting assumptions. This approach strengthens the link between underwriting policy, profit stability, and effective, advanced, and efficient risk management.

The company engages with 90% of publicly traded companies.

In underwriting processes with reinsurers, the company works with a limited number of world-leading brokers who implement ESG in their operations.

Companies identified as having a high ESG risk level are directed to a dedicated review track managed by a skilled domain manager. Within this framework, an in-depth risk survey is conducted by professional experts who examine the company's exposure to risks and its readiness to address them. This process enables us to make informed decisions, reduce strategic exposures, and encourage sustainable business conduct among our partners.

# Providing service to our agents

Our insurance agents are the spearhead of the Company, as business partners in our success. Therefore, we are diligent about cultivating and strengthening our relationships with them on an ongoing basis, out of commitment, fairness and mutual trust.

The quality of our service to agents and the speed of our responses to their queries are critical to ensuring that they can provide high-quality, professional and prompt services. Therefore, we take action to constantly improve our work interfaces and expand our activities and work interfaces with them in ways that will improve the service for them and for their policyholders.

## **Association of Insurance Agents' survey**

The Israel Association of Insurance Agents conducts an annual survey among its members to obtain the opinions of agents from insurance companies and investment houses in the insurance and pension sector.

The survey examines agents' satisfaction with insurance companies' various service indicators, such as: claims handling, employee professionalism, availability, flexibility, decision-making on claim payouts and transparency when calculating commissions.

The survey also examines insurance agents' likelihood of recommending the insurance company to a colleague and whether they avoid working with a particular company.

In the Association of Insurance Agents' survey of insurance companies' quality of service conducted in 2024

## **We ranked in 1st Place in the financial sector's service index**

and received the highest rankings in the following key categories: telephone response time, email response time, and satisfaction in the following areas: issues, changes, onboarding and sense of belonging, fund redemptions, professionalism and level of supervision.

## **We ranked in 1st Place in the categories of health insurance and long-term care insurance**

and received the highest scores in six key categories: service to agents, claim handling time, fairness when settling claims, availability of the company's employees and managers, underwriting system and training program.

We also ranked in 1<sup>st</sup> place in the category of agents' likelihood to recommend the Company in relation to health insurance.

## **Empowering our agents**

### **Clal College**

Clal College is a center we established to provide professional training to agents. The purpose of the college is to provide professional and innovative tools to agents for managing the various insurance lines, and to deepen their activities with their customers.

The center provides extensive professional support to agents and their employees in all insurance lines – elementary, life, pension, financial and savings products, and more. Every year, about 2,000 agents and office managers benefit from thousands of hours of training in professional, organizational and administrative subjects.

**Professional subjects** – training in relevant laws and regulations, acquiring in-depth knowledge about the Company’s products and upskilling in a variety of other professional spheres of knowledge.

**Organizational subjects** – training in business marketing, acquiring tools to independently manage the business and training in essential skills in all insurance lines.

**Administrative subjects** – training in the independent management of the work interfaces with the Company and in the routine operation of systems during their daily handling of customer files.

We also offer a special program at Clal College for agents specializing in finance that provides professional and innovative tools to them to help them properly manage their customers’ finances. This four-month program is comprised of theoretical and practical sessions. Within this framework, Clal Insurance and Finance enables agents to acquire know-how in the proper planning of financial and pension portfolios, to acquire analytical skills, in-depth knowledge about the Company’s products, about the investment tracks available in the market, about adapting the level of risk to customers and more. During the practical sessions, insurance agents apply the knowledge and tools during meetings with customers, with close professional guidance from experts from the Company.

## **Clal Grow**

This program consists of 14 meetings and is intended for a select population of young agents who are establishing new independent businesses. The program provides extensive knowledge and practical tools for managing the business, provides training to young agents, a course for office managers, a course in converting agents’ offices to 360° sales and more.

## **Events for agents**

We hold events and conferences for our agents on several occasions throughout the year, including new year conferences, a Heritage Day event, a Women’s Day event, our “FestiClal” event, a semi-annual conference and an event honoring outstanding agents.

# Innovation

Innovation is a significant strategic growth engine for us, since it enables us to constantly improve processes and develop advanced insurance solutions tailored to the changing needs of our customers and the market trends.

We implement innovative technologies that ensure our positioning as leaders in the insurance sector, while creating added value for stakeholders and for the Company, in a variety of operating segments:

- **Innovations in service** through Clal's Button application and the upgrading of our customer service interfaces
- **Developments of innovative products and services**
- **Integrating advanced technologies in work processes**, including AI technology in our insurance segment
- **Advanced service and sales channels for agents** through click campaigns and using bots
- **Increased operating efficiency** through automated underwriting
- **Integrating robotics** in a variety of operational processes
- **Innovations in employee management** combined with innovative HR tools
- **Innovations in investments** through our portfolio of investments in technology with private sector entities and during the investment stage
- **Innovation in the fields of corporate responsibility and ESG** at Clal's Resilience Center and through many other social projects.

**In light of our achievements in innovation, in 2024, we were awarded the Organizational Innovation Award from the Israel Innovation Assessment Institute (INSA – Intelligence and National Security Alliance).**

## GenAI at Clal

We have been implementing an advanced data-driven insurance and finance strategy for several years, including many innovative solutions based on AI technologies. This enables us to streamline business work processes and significantly improve the customer experience and the activities of the Company's insurance agents.

We also developed the "**360° customer profile**" system: an innovative system providing in-depth analyses of all interactions with customers and personalized recommendations in real time, which contributes to improving sales and service. Clal also launched advanced multi-channel chatbot systems, which provide personalized immediate service to customers on leading platforms such as: WhatsApp, our customer website and Clal's Button application. This platform integrates advanced natural language processing technologies, intent detection technology and customer data analyses to provide efficient and precise responses to customers.

**In relation to car insurance**, Clal offers car insurance based on driving behavior through the Clal Behave track, which analyzes driving patterns based on telematics data, which is a method of monitoring cars' GPS technology and on-board diagnostics, and rewards safe driving.

**In relation to overseas travel insurance**, the Company offers the Clal Quick Pay service, a unique process that integrates advanced AI capabilities enabling customers to receive immediate payment of an advance in the event of a medical event abroad, while quickly and automatically analyzing the claim documents. This process won a **prestigious award at the Global Insurance Innovation Awards 2025, as the best digital insurance initiative in the field of artificial intelligence.**

**In relation to operations**, the Company launched a unique underwriting engine that integrates AI capabilities. This engine won a **prestigious award at the Global Insurance Innovation Awards 2025, as the best computerized advisory service in the field of operations and service.** Clal Insurance and Finance is constantly working to develop advanced services, primarily for its insurance agents, in order to streamline their routine work by providing innovative digital interfaces and smart marketing tools to them. Inter alia, we integrate advanced AI tools for document analyses – processes that enable efficient management of customers' and agents' claims and issues of policies quickly and accurately.

**In relation to infrastructure and cybersecurity**, Clal leverages AI capabilities as part of its routine work processes. From analyzing logs and shortening analysis and troubleshooting times, to leading the construction of infrastructure solutions architecture and reinforcing our cyber defense system by analyzing risk factors and drafting appropriate threat hunt rules.

## Clal UP – hackathon in collaboration with Microsoft

This is the third year that Clal is holding a unique business innovation hackathon in collaboration with Microsoft in order to develop and integrate AI tools (Open AI). In preparation for this hackathon, our employees are invited to invent, design and find initiatives that would enable the Company to operate more efficiently using state-of-the-art innovative technological tools and provide additional fast, digital and smart professional tools to end-customers that will further enhance the service experience.

Up to 10 initiatives are selected each year to advance to the final stage, during which the hackathon teams spend two days collaborating to create and develop proof of concept (POC) aided by technological experts and AI tools. The hackathon finalists also present their initiative's objectives, realization strategies and potential return on investment (ROI).

The panel of judges in the finals includes Clal's management and board representatives and representatives of Microsoft's management.

## Organizational AI forum

We formed an AI forum to be responsible for integrating AI tools in the Company and initiating innovative solutions, which is comprised of senior business and technological representatives of the Company's management. This forum examines GenAI initiatives that focus on improving processes, streamlining work and advancing innovation throughout the Company.

Our AI Forum examines the feasibility and ROI of the various initiatives and approves which initiatives will advance to the POC stage. Initiatives with successful POCs are included in the work plans for implementation.

## Azure OpenAI helps provide advanced solutions to customers

Clal integrates Microsoft's Azure OpenAI service in a variety of operating, service and claims processes for the benefit of the Company's customers.

Clal selected Microsoft's cloud and adopted Microsoft's Zero Trust strategy – a comprehensive security framework that leverages advanced technologies to authenticate identities and workstations and protect organizational information everywhere.

## New brand language

We launched a new media language and logo whose message is:

**“Life happens, and you have peace of mind that you are with Clal because we are always with you.”**

### Clal's brand promise

Clal understands that life simply happens. We succeed in seeing the big picture as well as the minute details. We see the individuals in the totality of situations, and accompany them over time with sensitivity and understanding.

Our promise is to accompany our customers and agents over time, both during their daily encounters and in their overall life situation, and to be there for them and offer them a variety of suitable solutions that meet their needs.

This new language reflects the unique advantages of Clal Insurance and Finance Group as a long-standing renowned company that is also dynamic and innovative, following its acquisition of MAX, one of Israel's leading credit card companies, in 2023.

## The core values of our new brand language

### Compassion

As a company engaging in human relationships, encounters and interactions, we are cognizant of the fact that, by virtue of our roles, we are involved in the lives of our customers and agents, which also entails a wide spectrum of emotions and expectations. Our way is to conduct ourselves compassionately and demonstrate our high commitment to all of our stakeholders.

### Stability

We are a long-standing and experienced Group and are always here to provide stable and solid support to our customers and agents. As a leading institutional company in the economy, we wholeheartedly identify with the communities in which we operate and serve as an anchor of stability in the fields of insurance and finance in Israel.

### Relevance

Besides being a long-standing Group, we are also innovative and flexible, adapt to progress and evolving technologies, and continue evolving for the benefit of our customers and agents.

We accompany our customers and agents throughout their lives and provide insurance, savings and financial products to them that will be relevant to their major and minor, happy and complex moments in life.

We provide our products and services in light of these values, which prioritize solidarity, fairness and caring, in order to provide a safety net and stable ground for our customers and serve as a supporting pillar for the general public in Israel.

# Clal's people

Clal’s people are the beating heart of the Company. They are the ones who have been driving its activities and achieving its success throughout all of its years of operation, while being meticulous about professionalism, excellence and providing high-quality service to customers.

Being cognizant that our employees’ lives are also full of developments and changes, we accompany them throughout all stages of their employment in our organization. We provide extensive support covering a wide variety of aspects, all designed to maintain our employees’ high sense of belonging to the organization, to develop their professional skills, attend to their safety, health and wellbeing, and contribute to their long-term success in their roles.

Since the work culture and our work environments are key factors in the success of our employees and of the entire Company, we are diligent about maintaining a work culture based on trust, fairness, equality, diversity and inclusion.

Our HR department manages all aspects of the Group’s human resources, and its responsibilities include raising motivation and organizational engagement, strengthening our employer branding and inculcating a culture of wellbeing.

## Our employee force

	<b>2022</b>	<b>2023</b>	<b>2024</b>
Permanent employees	2,533	2,432	2,453
Temporary employees	1,000	933	885
Employees with personal contracts	226	227	227
Employees of suppliers	90	91	88
Full-time employees	3,644	3,479	3,428
Part-time employees	205	204	225
<b>Total</b>	<b>3,849</b>	<b>3,683</b>	<b>3,653</b>

The data solely include the employees of Clal Insurance Company Ltd. without employees of agencies and of MAX and Hyp.

## Employee experience and wellbeing

Our HR approach focuses on cultivating employee engagement and constantly improving the employee experience. We consider our employees as our most important asset and believe that positive, inclusive and empowering work environments are a prerequisite for the Company’s long-term success and prosperity. Positive employee experiences are catalysts for higher employee engagement with and loyalty to the organization which in turn, stimulate higher productivity. Engaged employees are more motivated to contribute to the achievement of the Company’s goals. They provide excellent customer service and are motivated to be far more creative and innovative. Being cognizant of this, we invest considerable resources in analyzing and improving the employee experience, as demonstrated by our biannual employee satisfaction survey.

The purpose of this survey is to gather direct feedback from our employees on a variety of aspects of their employment experience in the organization, including organizational culture, work-life balance, professional development opportunities, Meaning and Well-being at Work,

and satisfaction with the management. We are proud to report that the ratio of employee participation in the survey was 74% in 2024, an especially high ratio indicating our employees' high engagement and desire to contribute to continuous improvement. The results of the survey indicate a highly positive experience relative to the Israeli market as a whole, with our employees expressing especially high satisfaction with the following aspects:

**86%** of our employees said that they enjoy working with their coworkers

**81%** expressed pride in their work at Clal

**75%** recommended Clal as a good company to work at

**85%** said that the Company's managers treat employees from different population groups equally, a ratio that reflects the excellent level of inclusivity in our organization.

**And In the Emotional Engagement Index, the score was 4.91 out of 6,**

**and in the Role Performance Index, the score was 4.84 out of 6.**

The survey also showed a very high level of employee engagement and commitment to the organization – **70%**, and that our employees were highly satisfied with managers' attitudes towards employees.

**These data underscore our commitment to maintaining optimal work environments that encourage teamwork, organizational pride and high engagement.**

We formulated a comprehensive work plan based on the survey findings, which includes making the survey data accessible to the Company's employees, setting personal goals for managers, communicating the various issues and providing a set of tools to managers to address the aspects raised in the survey. The purposes of these measures are to drive continuous improvement in the employee experience and to empower the Company's human capital.

## **Employee training and development**

We exert considerable efforts to develop our employees and managers and to provide the necessary tools to them, including advanced training tools, so that they can progress, become leaders and achieve the results defined in the Company's strategy and business focal points.

As part of our overall strategy for developing our human capital as a key asset in the Group, the Company invests considerable resources in providing professional studies and training in enforcement and compliance and in developing managerial expertise and leadership within the organization. The Group focuses on improving our employees' service skills to further improve the quality of service to the Company's customers and agents and improve professionalism and knowledge in all insurance lines, on training our employees in working with information systems and innovative and digital technologies supporting our core businesses, and on improving mid-level management skills.

We invest in the development of our human capital throughout the entire employment lifecycle: from management training on Diversity and Inclusion (DEI) to foster an egalitarian environment, through ongoing professional and ethical training, to providing guidance and support for employees approaching retirement. This approach ensures that the values of respect and fairness accompany our employees at every stage of their professional career within the organization.

## Key examples:

### Management Academy

Manager development program offering several study tracks:

1. Workshops in a variety of managerial soft skills customized for each management echelon (communications and attentiveness, self-management, time management, managing stress and burnout, managing complex conversations, managerial courage, managing partnerships, decision-making, etc.).
2. Peer learning groups: managers at the echelon of team leader and department manager share managerial dilemmas.
3. Mentoring: managers at the echelon of team leader and department manager receive personal mentoring during several meetings with an organizational consultant to think together and develop competencies.
4. Introductory programs to provide skills to new team leaders and department managers.

**In 2024, 59% of all managers participated in at least one training course.**

**23% of team leaders participated in the program.**

### Clal Academy Plus

Our re-skilling program for personal and professional development in a variety of roles in the organization. Participants in the program acquire an additional profession, which constitutes an additional component of career development management in the Company. The courses we offer to employees include: systems analysis, underwriting, data analysis and software testing. **In 2024, 53 employees participated in our Academy Plus program.**

### Clal Academy

Scholarship program for academic studies or professional courses.

### Ofek Program

This program teaches outstanding employees soft skills in a variety of topics, such as: thought patterns, energy management, leveraging competencies, managing emotions, managing communications, etc.

The goal of this program is to retain and cultivate employees so that they can also become a managerial reserve in the future.

**The program provides training in a variety of subjects:**

- laws and regulations applying to the insurance sector
- computer programs: Excel, BO, SQL, etc.
- developing advanced courseware
- organizational wellbeing, resilience and positive psychology
- soft skills in innovative workshops on a variety of topics, including preparing presentations, storytelling, conducting negotiations, etc.

**Average training hours per employee in 2024: 14.9**

## Training and Development Data

### Training Methodology

- **E-learning / Digital Training:** 4,314 hours
- **In-person / Frontal Training:** 61,253 hours
- 

### By Management Level

- **Senior Management** (Division, Wing, Department, Group): 3,081 hours
- **Junior Management** (Team, Section, Unit, Department): 12,459 hours
- **Non-Managerial Employees:** 45,713 hours
- 

### By Training Content Type

- **Professional:** 15,705 hours
- **New Employee Onboarding:** 17,071 hours
- **Soft Skills:** 8,289 hours
- **Management Development:** 7,490 hours
- **Technology:** 7,209 hours
- **Regulatory Compliance:** 3,532 hours
- **Organizational Development:** 1,765 hours
- **Knowledge Gap Reduction:** 192 hours

## Employment Terms and Compensation

We view our human capital as the company's primary asset and are committed to creating a fair work environment that provides financial security and optimal social benefits. Within the framework of our agreements with the Labor Union, the company ensures salary levels that exceed the legally mandated minimum wage, reflecting our deep appreciation for our employees' contribution to the organization's success.

The company actively promotes a healthy work-life balance. We operate a rigorous monitoring and control system for working hours to ensure compliance with legal overtime quotas and to reduce overtime whenever possible. In addition to providing full payment for these hours, we continuously track the utilization of annual leave, based on the principle that rest and rejuvenation are essential to employee health and well-being.

All company employees are eligible for bonuses and equity (shares) after one year of employment, subject to the company's annual profitability and the employee's performance appraisal score.

Regarding termination of employment, the company is committed to full transparency and strict adherence to labor laws and relevant regulations. We ensure proper notice periods and conduct required consultation processes prior to any large-scale layoffs, while maintaining employee dignity and fairness. This policy ensures responsible processes that balance organizational needs with our uncompromising commitment to employee rights.

## Trip to Poland

As a proud Israeli and Zionist company that believes that the Jewish people must retain their connections between the past and present as an inseparable part of our history, Clal has been sending a delegation of employees on an annual trip to Poland in recent years.

In 2023, more than forty employees visited ghettos and extermination camps in Poland, toured forests, cemeteries and synagogues, heard the horror stories, saw children's photos, participated in ceremonies and heard testimony from a Holocaust survivor.

For us, the delegation to Poland is an unparalleled tradition – a journey of commemoration, witnessing and commitment.

We travel to Poland to raise the voices of those who are no more, to stand on the ground where Nazis and their collaborators committed atrocities and to stare at inhumanity with open eyes.

But in the midst of all this, we are also witnessing the resilience of the human spirit – the ability to rise from the ruins, to grow, flourish and build new lives, even when hope seems lost.

## Employee recruitment and retention

We implement several measures in order to retain our human capital, particularly through increasing the ratio of employees recruited through “friend brings a friend.” We also analyze instances of relatively new employees leaving the Company and draw conclusions.

The Company also allows employees to transfer between roles as an additional employee retention strategy. The Company believes that internal transfers offer significant opportunities and advantages: on the one hand, they enable employees to acquire new competencies and specialize in other disciplines, while on the other hand, they enable the Company to fill vacancies with employees who are familiar with the organization, proficient in its operations and can therefore perform their new role competently from day one.

These significant efforts to cultivate employee engagement with the Company, coupled with our continuous investments in our employees' personal wellbeing and personal and professional development are reflected in our employee retention data, which have remained stable over the years.

## Feedback Processes

The company conducts structured feedback processes for all employees twice a year, based on the Management by Objectives (MBO) approach. As part of these processes, one-on-one meetings are held between managers and employees to define goals, review progress, and provide constructive feedback. This process strengthens transparency, encourages open dialogue, and allows employees to take an active role in achieving the organization's objectives.

## Retirement and employee turnover

Taking care of our employees before and after retirement is highly important to us, and therefore, we provide pre-retirement courses to them, connect them to social organizations enabling them to engage in volunteering and encourage them to participate in events and activities. 100% of our retirees continue to be eligible for the organization's welfare benefits after they retire.

We also allow employees to continue working after retirement age, in order to help them prepare for this chapter in their lives. Furthermore, all of the Company's employees are entitled to personal retirement planning, including devising a plan for continued employment. We also offer employees the option of gradual retirement, while extending the duration of employment for a defined period after retirement age and allowing them to continue working after retirement age in various employment alternatives, such as: part-time jobs and split shifts or as freelancers or consultants.

In order to promote continued employment and encourage continued employment in the Company, we initiated a program in collaboration with Tmura (a subsidiary of Clal) that performs salary simulations for women in order to examine the profitability of their continuing to work compared to retiring on a pension. In addition, if necessary, women are given the opportunity to work part-time. This benefit facilitates optimal adaptation of the employment framework to the needs of women in the labor market.

# Human Resources Data 2021 - 2024

## Employee Turnover – Junior/Non-Managerial Levels

- 2024: 20%
- 2023: 19%
- 2022: 22%
- 2021: 20%

## Voluntary Turnover Rate (Employees who chose to leave)

- 2024: 18%
- 2023: 17%
- 2022: 20%
- 2021: 18%

## Number of New Hires

- 2024: 685
- 2023: 584
- 2022: 919
- 2021: 793

## Number of Positions Filled Internally (Internal Mobility)

- 2024: 197
- 2023: 221
- 2022: 313

- **2021: 248**

**Absenteeism Rate**

- **2024: 5%**
- **2023: 5%**
- **2022: 5%**
- **2021: 5%**

## Labor committee

We recognize our employees' right to unionize, and a stable and valued labor committee is active in our Company and constitutes a significant partner in promoting the wellbeing of our employees. In 2025, a new agreement was signed between the Company's management and the labor committee for 2025-2028, which reflects the mutual commitment between the Company's management and its employees and underscores the correlation between the Company's success and employee remuneration. This agreement provides employees with pay increases, higher bonuses, the possibility of higher stock option allotments, the Company's higher participation in expenses, a unique savings plan, etc.

We consider our fruitful cooperation with the labor committee as a fundamental pillar in building a strong and prosperous company that prioritizes its employees.

**Percentage of employees represented by the Labor Union as of year-end 2024: 94%**

## Promoting employee health

We take action to attend to the health of our employees and encourage them to maintain healthy lifestyles in a variety of ways:

Health insurance from the Company	Weekly yoga classes	Benefits to encourage physical activity
Sports teams in several sports within the framework of the workplaces league	Services of a social worker	Entitlement to participate in a workshop to quit smoking
Subsidized services of a nutritionist	Employees at the age of 40+ with a minimum of 5 years of seniority are entitled to medical screening once every two years	

## SportyClal

In 2024, as part of our "Clal Healthy Living" program, we launched our first organizational sports day of its kind, enabling everyone to participate and compete in competitions as individuals or as a team in one of the following sports: futsal, swimming, throwball, tennis and more.

## Work-Life Balance

We strive to maintain the right balance for our employees between the Company's needs and their families' needs. We implemented the following measures in recent years in conformity with the Group's work-life balance policy:

- Defined parent roles
- Allow flexible work hours and arrangements for part-time work from home

- Analyze and encourage orderly utilization of vacation days
- Allow gradual returns from parental leave to those employees who wish to do so
- Allow employees to take paid or unpaid leave when school systems are on vacation or during university exam periods.

## Model for remote work from home

The Company allows its employees to work part-time from home depending upon their roles and the Company's needs. A remote-work component enables us, inter alia: to adapt ourselves to the demands of the labor market and increase the Group's attractiveness as an employer when recruiting new employees; to promote the values of achieving work-life balance; to further increase employee satisfaction and perhaps even contribute to employee retention.

Working from home saves employees from wasting hours in traffic and reduces vehicle use, resulting in lower air pollution from transportation and lower fuel consumption.

Our remote-work model includes appropriate goals and controls that ensure high productivity and the safeguarding of information security. The Company believes that working part-time from home is optimal but, at the same time, also considers it highly important to be present in the office for teamwork, mutual inspiration, effective management and higher engagement with our organization.

## Embracing our employees' families

Especially this year, our work plan also prioritized our employees' families and we held various activities and events for the benefit of our employees and their families:

- We celebrated **family summer** in various water parks for employees and their families
- We screened the **Euro final** for employees and their families
- We got excited with our employees and their **children entering first grade** and celebrated with them at the Safari Park in Ramat Gan
- For the first time! An exciting day of extreme sports **for parents and inductees to the IDF**
- An overnight event for **Bar Mitzvah boys and girls** at Massada National Park
- We gifted employees with photos of **family moments** on Family Day.

## Individual welfare

As part of our activities to strengthen organizational engagement, pride and sense of belonging, we invest considerable resources in individual welfare programs and in a package of services for the benefit of our employees, out of commitment and concern, first and foremost, for their economic and personal wellbeing.

Companies in the Group customarily provide arrangements to their employees from time to time for the purchase of insurance products and services, including, inter alia, general insurance, financial products and health and life insurance. The Company has a collective health insurance policy for employees who have opted to buy this insurance.

The Company also enables employees to obtain loans according to defined internal procedures and in compliance with the statutory provisions, taking into account, inter alia, their seniority and salary.

**The Company provides the following benefits to its employees:**

Subsidized summer camps for employees' children	Funded/ subsidized health insurance	Loans at favorable terms	Increased minimum wage	Supporting employees' life events	Crisis assistance fund (family, medical, etc.)
Access to social and psychological services	Advice on personal and family financial management	Gift vouchers on holidays	Continuing education fund	Allotments of shares/ stock options	Subsidized vacations
Bonuses and grants	Employment program for employees' children during the summer	Subsidized course in good parenting – session at the Adler Center	Increasing all employees' awareness of the importance of pension savings and advice on pension planning	Support for employees who are parents of children with special needs (such as: access to information, assistance in exercising rights, flexible work hours, increasing sick days, etc.).	Financial support for a surrogacy process

Benefits are granted to employees according to predefined criteria.

# Diversity and inclusion

We believe that a diverse work environment enhances aspects of innovation, creativity and efficiency in business operations, reflects the Company’s customers by appealing to wider segments of the population, and enables the Company to develop new products and services and advance innovation.

Therefore, the Group invests considerable resources in the promotion, recruitment and employment of underrepresented populations in the labor market. We also set annual targets for expanding the employment diversity in the Company.

**Maala’s diversity and inclusion rating**

The Maala organization’s diversity and inclusion rating examines data on companies’ employee diversity ratios, organizational input indicators that promote diversity, and managerial actions to advance inclusive work environments nurturing a sense of belonging.



**MAALA RATING**  
Diversity and inclusion

In 2025, Clal entered the rating for the third time, and received the highest rating – **five stars, for the third consecutive year.**

**Recruiting and hiring from diverse communities**

**Ratio of employees from diversity categories out of all Company employees**

	<b>Arab population</b>	<b>Haredi population</b>	<b>People with disabilities</b>	<b>Ethiopian immigrants</b>
2022	3%	11%	4%	1%
2023	3%	12%	4.7%	1%
2024	3%	13.3%	3.5%	1.5%

**Our Communities**

**The whole is greater than the sum of its parts**

We believe that the power of a community working together towards a common goal is more powerful than the power of separate individuals. Therefore, we support the establishment and operation of various communities within the Company to strengthen engagement and belonging, to encourage information- and knowledge-sharing and, of course, to support diversity in the organization.

**→ Clal Lady**

As a company in which women account for 68% of our employees, we make sure to spotlight each woman’s story to enable learning, enrichment and development.

**→ Clal Baby**

In 2024, we launched Clal’s new mothers’ community – a community enabling the Company’s employees to stay in touch even during parental leave, to consult, talk and listen to each other.

→ **Clal Reservists**

This is a community for employees, both men and women, who are called up for IDF reserve duty. We believe that it is highly important to support reservists and their families, especially in recent years due to the Swords of Iron War.

→ **Clal Mehadrin**

A community of employees from the ultra-Orthodox and religious Jewish communities.

→ **Communicating from the heart**

A community of parents of children on the autism spectrum.

→ **Clal proud**

A community of employees from the LGBT community.

## Initiatives and collaborations to promote diverse populations

→ **Communicating from the heart**

An intraorganizational parent community of dozens of employees who have children with special needs. This community's goal is to provide support, knowledge, tools and resources to parents, to adapt events and activities and facilitate meaningful get-togethers.

→ **Co-Impact**

Annual collaboration with the Co-Impact organization, which is dedicated to fair and equitable employment of people from Arab society in the business sector in Israel.

We provided enrichment seminars to our HR teams on Arab culture in conjunction with Co-Impact; we diversified our Company calendar to include greetings on holidays and special occasions in our social networks; we offered an Arabic language course; and we are collaborating with Co-Impact to advance the recruitment of employees from Arab society for various roles in our organization.

→ **Clal's gay team**

The Company's gay team is responsible for representing LGBT employees in the organization. The participating gay team is part of the LGBTech initiative to represent LGBT employees in the Israeli economy. Clal celebrates Pride Month annually and holds events for the gay community throughout the year.

→ **Employment of senior citizens**

This program of the Ministry of Social Equality is dedicated to changing the social perception of senior citizens in the labor market. With the help of this program, we create equal opportunities for senior citizens to integrate in the labor market.

→ **Lighthouse program**

This program is dedicated to helping visually-impaired or blind people and those involved in their lives by developing and providing professional, innovative services and disseminating know-how in functional and occupational rehabilitation.

→ **Dualis**

The Dualis NPO connects at-risk young adults with employers for on-the-job training programs and provides social support to both trainees and employers in order to ensure optimal integration and the creation of work environments that encourage perseverance over time. We held meetings with promoters of employment of at-risk young adults at Clal's service and sales centers.

## Gender equality

The Swords or Iron War shattered many paradigms about callups of women IDF reservists and further accentuated the importance of fair representation of women in general and in key roles in particular, considering their valuable input, viewpoints and approaches to shaping a better future for all of us.

As a company that advocates equality, diversity and inclusion throughout the year, we implement numerous measures to continue eliminating gender wage disparities and providing equal opportunities to everyone, to the extent possible:

- Our HR managers held in-depth discussions in all of the Company's divisions about raising awareness among managers of the importance of **eliminating gender wage disparities and of ensuring equal opportunities**.
- We defined **equitable hiring processes** whereby all new hires in every operating segment will enjoy gender wage equality.
- We encouraged and integrated women in diverse **career development and professional training tracks** in order to provide them with opportunities for advancement and mobility.
- We added employee gender to the data profile for **salary updates to managers** in order to shed further light on the wage situation of women in the Company and to help eliminate any gender wage disparities, if any.

**Women account for a clear majority of Clal Insurance and Finance Group's employees.**

**68% Women account for a majority of all employees in the Group and account for about 64% of employees in management echelons**

- **40%** – Women in Senior Management
- **37%** – Women in the two reporting levels below the CEO
- **41%** – Women in Revenue-Generating Management Roles
- **66%** – Women in Junior Management
- **47%** – Women among the top 10% of the Group's highest earners
- **48%** – Women in Technology Roles

The Company's objective is to retain its high ratio of women in management echelons, similar to the current situation.

## School for future women CEOs

In 2023, Clal and the social organization "Supersonas" launched the first program of the "School for Future Women CEOs" to promote women to senior management roles. We launched the program against the backdrop of Israel's low ranking on the issue of gender equality among OECD member states and the fact that there are very few women CEOs holding office in companies traded in the Tel Aviv Stock Exchange's Tel Aviv 125. These and other data have led to the understanding that the business sector must intervene in order to change this situation.

At Clal Insurance, women are highly represented in the Company's management, and yet, we do not rest on our laurels and are cognizant that we must take significant broad actions in order to continue retaining the managerial backbone of women in our Company.

Participating in this program are 25 women who hold management roles at various echelons and aspire to become CEOs and directors. The goal of this school is to create a reality in which an increasing number of women hold key positions in the economy, while reducing gender employment disparities in the Israeli labor market.

## 2024 report analyzing gender wage disparities

We analyzed gender wage disparities among our employees in compliance with the statutory requirements.

We divided the employees of Clal Insurance and Clal Pension and Provident into 25 categories in order to ensure that our analysis is based on data that correspond to the job definitions and/or ranking of the employees in each category as closely as possible.

Our analysis found that average pay gap, calculated based on total compensation (including gross salary and employer contributions), stands at **0.9%**.

, which is significantly lower than the average in the various companies in Israel's private sector.

It is important to note that the gender wage disparity derives, inter alia, from the considerable complexity involved in compiling homogeneous categories, both in terms of the variety of roles included in them and in terms of employees' personal data (such as seniority, qualifications, experience, etc.).

As a company that considers the values of equality, diversity and inclusion as an integral part of our moral compass and our Code of Ethics, we will continue to take action to raise awareness of the importance of eliminating gender wage disparities and to develop professional tracks and promotion tracks in all of our operating segments in order to ensure equal opportunities for all of our employees.

To view the 2024 public report (in Hebrew), click [here](#).

## Parental Leave

The company provides parental leave for a period of 15 weeks (3 months) up to 26 weeks in accordance with the law, available to the birth parent or, alternatively, their partner. Additionally, the company grants nursing hours (lactation breaks) beyond the legal requirement until the child reaches one year of age.

## Preventing sexual harassment and workplace bullying

The Clal Insurance and Finance Group has a zero-tolerance policy towards incidents of violence, workplace bullying or harassment of any kind.

## **Among the measures we are promoting to prevent sexual harassment and workplace bullying:**

- The Group is responsible for the prevention of sexual harassment and has regulations in this regard, as required by law.
- The Group has regulations for the prevention of workplace bullying and appointed an officer to be responsible for this matter.
- All of our employees take part in training activities throughout the year on the prohibition and prevention of sexual harassment and workplace bullying. Our activities also focus on training managers in their responsibilities for taking action and leading in the prevention of sexual harassment and workplace bullying.
- We include this subject in our onboarding processes and training of new employees.
- We regularly disseminate memos on the subject among employees and managers.
- We hold an annual management discussion on the subject of preventing sexual harassment.
- We have a hotline for filing grievances.
- We disseminate procedures on our grievance investigation proceeding.
- We have a mechanism enabling people who are not employees of the Group (such as: outsourcing professionals and service-providers) and work in offices of the Group to file grievances.

## **International Women's Day 2024**

We held a panel discussion with leading women as a salute to Company employees who are women IDF reservists and wives of reservists and career soldiers.

## **Prohibition of discrimination**

We are meticulous about employee hiring that is devoid of discrimination on the basis of gender, sexual orientation, ethnic origin, religion, nationality or any other characteristic, and about providing equal opportunities and ensuring diversity and inclusion for all of the Company's employees.

In any case where a suspicion of behavior inconsistent with company values or the law arises, a comprehensive, fair, and confidential investigation is conducted. Based on the findings, the company takes clear corrective and disciplinary actions, including enforcement measures, management guidance, dedicated training, and preventative actions to avoid recurrence. The company is committed to ensuring a safe, respectful, and egalitarian work environment for all its employees, and to acting consistently to improve and strengthen its culture of corporate ethics.

## **Safety**

### **Safety management**

As an organization that prioritizes its human resources, employees and suppliers, we are committed to maintaining safe, healthy and protected work environments in compliance with and exceeding the most stringent legislative and regulatory requirements. We believe that a strong safety culture is an essential component of organizational resilience and business productivity.

The manager of our Security and Safety Department is responsible for safety management. Safety and hygiene are managed in an orderly, hierarchic and methodical manner. Safety management is based on three key principles: clear policies, advanced risk management and strict supervision, in order to improve employee safety.

**Our commitment to safety begins at the senior management level and permeates the entire organization:**

**Safety Committee chaired by the CEO:** our organizational Safety Committee, chaired by the Company's CEO, demonstrates the importance of safety at the strategic level. This committee regularly reviews the safety situation, receives and analyzes key performance indicators and passes binding resolutions in order to continuously improve our annual safety plan and policy.

**Employee involvement – safety trustees:** safety trustees have been appointed at each of the Company's sites who spearhead the safety culture on the ground. The trustees convene annually for a safety forum – a focused and meaningful event that provides the latest professional content, lectures and updates to them and strengthens their roles as agents of change and safety enforcement in the organization.

## Key safety programs and activities

**We manage safety comprehensively and apply a multi-layered methodology:**

### Comprehensive policies and procedures

Comprehensive Policies and Procedures: The company maintains a comprehensive Occupational Health and Safety (OHS) policy that applies to all company activities, employees, agents, and visitors to the company's offices. The organization's safety policy is founded on full compliance with local laws and regulatory requirements, while strictly adopting leading international standards. This policy is supported by detailed procedures for every identified risk. These procedures, tailored to an office environment and the customer service activities of an insurance company (e.g., ergonomics, fire safety, emergencies, and driving), are distributed to all employees annually and serve as the basis for training. This policy supports and promotes a commitment to continually improve the performance of the OHS management system within the organization.

The organization's safety policy defines the priorities and guidelines for establishing work plans and fostering a safety management culture, focusing on the following areas: providing ongoing information to employees regarding risks and safety training; training safety, security, and first-aid teams; ensuring a safe work environment and providing appropriate safety equipment; continuous risk monitoring; conducting routine audits; performing safety and emergency drills; and maintaining investigation and learning processes for drawing lessons learned. Furthermore, the policy guides the organization's objectives and the goals of the professional work plan. The safety policy serves as the instructional foundation for defining organizational goals and outlines the guidelines from which operational targets and annual safety work plans are derived.

### Increasing awareness

In order to ensure maximum awareness, we disseminate an annual memorandum to all of our employees on the key occupational safety risks, which they are obligated to read and sign. This measure ensures that every employee knows and understands his/her personal responsibilities for maintaining a safe work environment.

### Identifying and reviewing risks

The material safety risks have been identified and reviewed by an external professional firm. We also conduct a periodic safety review that focuses on a specific material issue, which enables constant in-depth and systematic learning.

### Technological risk management and measuring performance

We use an advanced technological system enabling real-time risk monitoring and management. The system detects and displays anomalies, thereby enabling us to take preventive measures before any safety failure or injury occurs.

**Our commitment to safety extends beyond the organization's own boundaries:**

### Supplier and contractor safety

We demand that our suppliers meet our stringent standards. We conduct inspections of our suppliers, and all relevant professionals (such as professionals working at height or in other hazardous jobs) complete dedicated safety training relevant to their occupation. We also require suppliers to sign a binding safety document before starting work.

### External professional controls

In order to ensure compliance with the highest standards, we implement external professional controls to ensure the good working order of equipment and facilities on an ongoing basis. This mechanism, together with internal audits and a comprehensive internal audit that is carried out once every 3 years, ensures that all facilities and equipment are fully safe and free of any hidden safety risks.

### Safety data

	<u>Occupational accidents</u>	<u>Near misses</u>
2020	15	3
2021	14	4
2022	18	13
2023	9	2
2024	10	3

### Safety Targets

- 0 occupational accidents
- Fully safe working order of the Company's equipment and facilities

# Clal for the common good

Upon the outbreak of the war on October 7, we increased our donations budget by ILS 1 million, from ILS 4 million to ILS 5 million for 2023, in order to meet the immediate needs at that time, while continuing to support our partner organizations during routine times.

**In 2024, our financial donations totalled ILS 4 million.**

We donate to about 100 NPOs per annum.

We also established an ILS 10 million support fund (ex gratia) for the purpose of assisting policyholders in respect of uninsured war damages.

## Donations policy

Over the years, we have donated to dozens of NPOs dedicated to healthcare and improving the quality of life of children and young people, which directly relates to our core business as an insurance company. This is in addition to our donations to other NPOs dedicated to improving the quality of life of the general public.

## Volunteering and employee involvement in the community

In addition to our collaborations and involvement in social projects, we recognize the importance of employee involvement in contributing to the community. We believe that the connection between the needs of the community, our employees and the Company is a winning formula that drives effective change. The Company's employees are excited to work together for the benefit of the community, feel a sense of meaning and pride and receive added value from their workplace, which enables them to do something good for those who really need it.

During 2023 and 2024, we held a wide variety of volunteering activities. The activities were held at both the divisional level and within an organization-wide framework, and they reflect Clal employees' spirit of giving and caring in all divisions and units, who actively and significantly participated in dozens of social initiatives out of a sense of mission and a genuine desire to make a difference.

## Our employees completed about 4,000 hours of volunteering in 2024

### Extensive organization-wide volunteering

We launched several significant initiatives within the framework of our organization-wide activities, including:

- Assembling food baskets for Holocaust survivors and low-income families, in collaboration with the "Latet" NPO
- Special telethon fundraising evening in collaboration with the "Pitchon Lev" NPO.

- Participation in the “Another Lesson” project – providing guidance and enrichment to school children
- Joint sports activity with a youth group that integrates members with disabilities.

## **Divisional volunteering**

**Employees of our various divisions took active parts in a variety of initiatives, including:**

- Assembling and packing food baskets for needy families, Holocaust survivors and soldiers
- Cleaning beaches as part of the battle to maintain environmental quality
- Harvesting agricultural produce to support local farmers
- Birthday celebrations to bring joy to residents of old-age homes and engage with them
- Assistance to kibbutz farmers and to communities damaged by the war
- Assistance to evacuees and activities to raise the morale of wounded soldiers
- Gift packages for Rosh Hashanah at the headquarters of the Families of Hostages and the Missing
- Organizing and cleaning homes in Kibbutz Re'im in preparation for families' return to their homes in the kibbutz
- Helping children on the autism spectrum within the framework of the “Special in Uniform” project
- Packing food baskets for the elderly and families in hardship
- Visit to the pediatrics department at Soroka Hospital

## **The “Corporate Responsibility” Game**

At the end of 2023, the Company launched a special activity enabling its customers to be exposed to Clal's extensive outreach activities and to influence donations to our partner NPOs in Clal's Resilience Center in 2024.

The activity included an interactive game that we distributed via the Company's various marketing channels and by our partner NPOs and associations at Clal's Resilience Center.

3,371 customers participated in the game.

## **“Pitchon Lev” telethon**

Hundreds of the Company's employees and managers participated in the event and took donors' calls at the service centers to support the Pitchon Lev NPO, which is dedicated to breaking the cycle of intergenerational poverty in Israel.

Thanks to them, we enabled thousands of donors to help families who are unable to afford to celebrate Passover with dignity. In 2023 and 2024, Clal donated ILS 300,000 per year to the Pitchon Lev NPO.

At the end of the 2023 telethon evening, 55,612 holiday meals were donated at the total value of ILS 6,673,440. At the end of the 2024 telethon evening, 53,772 holiday meals were donated at the total value of ILS 6,452,695 .

## Packing food baskets for the needy with the “Latet” NPO

We have been collaborating with the “Latet” NPO every year since 2018 and help pack food baskets that are donated to Holocaust survivors and low-income families, so that they too will have happy holidays and enjoy hearty holiday meals.

In 2023, about 300 employees from all divisions participated in the packing of 9,970 food baskets, while in 2024, a similar number of employees volunteered and helped pack 5,400 food baskets.

## Sponsorship of the Paralympic gold squad

As part of the Company’s extensive community outreach activities, we believe that it is only natural to collaborate with the Paralympic Committee, which represents the top athletes in the State of Israel.

As part of this partnership, Clal is supporting shooter Yuliya Chernoy for the second year and Taekwondo World Champion Asaf Yasur for the fifth year, who participated in the 2024 Paralympic Games in Paris. Asaf Yasur won a gold medal in these games!



Asaf Yasur during the 2024 Paralympic Games in Paris.

Photograph: Lilach Weiss Rozenberg

As part of this partnership, Clal produced an Instagram documentary to present Asaf’s and Yuliya’s inspiring stories, exciting moments, challenges, victories and dreams in preparation for the largest and most important competition in the world.

To view the episodes (in Hebrew), click [here](#).

## Clal’s Resilience Center – a flagship social project

Clal’s Resilience Center is a leading social project that is of utmost importance in our daily reality, since it provides information and assistance during times of emotional, financial or health distress, in instances when professional help and guidance are needed. This is a professional platform developed and offered in Clal’s Button application and on the Company’s website, which is accessible to the general public in Israel free of charge. The project is operated in collaboration with leading NPOs and associations in Israel dedicated to providing information and services relating to various types of resilience:

### → Emotional resilience

Solutions for situations of stress, anxiety, family distress, depression, sexual abuse, etc.

### → Financial resilience

Financial planning, advice and assistance following sudden economic changes, tools for contending with the situation, financial solutions, budget management, etc.

### → Health resilience

Advice, assistance and guidance in relation to long-term nursing care and critical illnesses.

Clal invested in the launch of the Resilience Center in January 2023, which included a public transit advertising campaign, television and digital commercials campaign and newspaper advertisements throughout the year. The launch was also supported by public relations activities in the national media. Up until the publication date of this report, about 150,000 users have entered Clal's Resilience Center.

The Resilience Center is open and accessible to the public, free of charge, on the Clal Button application and on the Company's website.

To enter the Resilience center (in Hebrew), [click here](#)

**The partner NPOs and associations in the Clal Resilience Center:** Eran, Elem, Naamat, Paamonim, Michal Sela Forum, Israel Cancer Association, Halasartan, Lema'anchem, Natal, Mashabim, Ezer MeZion, Pitchon Lev, Haparpar, Krembo Wings, Haverim Lerefu'ah, Matnat Chaim, Helem.club, Sahar.

# Information security, cybersecurity and privacy protection

**Information security and cybersecurity are particularly material topics for companies in the financial sector, because they manage enormous volumes of personal and sensitive information about their customers, including financial and health data. Maintaining public trust is critical for a company operating in this sector, and threats to information security can harm not only a company's routine operations, but also its reputation and stability.**

The field of information security, cyber resilience, and privacy falls under the ultimate responsibility of the Board of Directors, the CEO, and Senior Management. Governance is maintained through a Cyber Steering Committee chaired by the CEO and a Technology Committee within the Board of Directors. Notably, one of the Board members possesses specific expertise and extensive experience in information security and cyber affairs.

The domain is professionally managed by several senior executives:

- **CISO (Chief Information Security Officer):** Responsible for the strategic and day-to-day management of information security, cyber defense, and privacy.
- **CITO (Chief Information Technology Officer):** Responsible for the development, management, and implementation of strategic technological solutions.
- **CIO (Chief Information Officer):** Responsible for the operation, maintenance, and upgrading of organizational IT infrastructures and information systems.

### **Policies and Procedures**

The company maintains a comprehensive Information Security and Cyber Policy and detailed procedures, which are not disclosed to the public to ensure the protection of the company's systems. This policy includes, among other things:

- Continuous improvement of information security systems.
- Ensuring data integrity and information protection.
- Threat monitoring and incident response.
- Establishing personal accountability for all employees regarding information security.
- Setting information security requirements for third parties (e.g., vendors and suppliers).

### **Annual Work Plan**

The company's annual work plan includes additional components that assist in risk management and incident preparedness:

- Business Continuity Plans (BCP) related to information security.
- Vulnerability analysis of information systems.

- Internal audits of IT infrastructure and information security management systems.
- Independent external audits of IT infrastructure and information security management systems in accordance with international standards, such as ISO 27001.
- Escalation processes for employees to report incidents, vulnerabilities, or suspicious activity.
- Security awareness training for all employees.
- Reporting on the number of breach incidents that occurred during the past year.

The Company's information security unit manages this field holistically. As part of our policy, we work around the clock to identify threats in real time and take a variety of actions to prepare for new threats in advance, to improve work processes and add innovative technologies, to improve our intelligence, monitoring and response capabilities to numerous scenarios.

We map the risks and ways to contend with them and examine all aspects: risk prevention, risk assessments, improvement and streamlining processes, incident responses, investigating incidents and drawing conclusions, raising employee awareness, information security throughout the supply chain, business continuity, etc.

The Group's cyber defense array includes: vetting during employee hiring processes and before engaging with suppliers, increasing employee awareness, maintaining physical security, network protection, system and application protections, compartmentalization of authorizations and separation of roles, monitoring and control tools, etc.

Whenever the Group uses material outsourcing services, we maintain structured risk management and verify service-providers' commitments to complying with our information security requirements. The Group also performs information security inspections at our suppliers and independent resilience testing of their information security systems, with the assistance of entities specializing in information security system testing.

## Privacy protection

In August 2024, Amendment 13 to the Privacy Protection Law was promulgated, which constitutes the most comprehensive amendment to the law since its enactment. The amendment is designed to align Israeli privacy protection legislation with the modern and accepted legislation in the world today. We have been complying with the legislative amendment since it came into effect in August 2025.

We operate in accordance with our Privacy Policy, which is publicly available on the company's website. The policy defines the principles for the collection, use, retention, transfer, and disposal of personal information, as well as the rights of data subjects in compliance with the law. This policy applies to all organizational units, as well as all suppliers and business partners, and constitutes an integral part of the Group's risk management, compliance, and security framework.

We maintain an organized mechanism for addressing privacy issues, which includes a dedicated point of contact for employee inquiries regarding any questions, reports, or concerns related to data protection. In accordance with our Zero Tolerance policy for privacy violations,

any instance of deviation from these procedures is addressed through corrective measures and disciplinary actions, as necessary and based on the severity of the event.

Furthermore, the company conducts internal and external audits to assess compliance with our policy and regulatory requirements. These audits aim to ensure effective implementation, identify gaps, and strengthen an organizational culture of protecting sensitive information and data privacy.

**During the reporting years, there were no reported information security or privacy breaches.**

## Cyber risk management

Organizations in Israel and around the world are contending with cyber risks originating, inter alia, from countries, terrorist organizations, organized crime organizations, criminal elements, activists, lone hackers, etc. These factors could cause an increase in the number of incidents of fraud, embezzlement, money laundering, exposure of sensitive information of the organization and its employees, disabling of activities, etc.

## Intraorganizational assimilation

Our organization's employees are an important component of our cyber defense. They can detect and warn of suspicious events as soon as they occur. Our intraorganizational portal contains comprehensive information about procedures, actions, warnings and guidelines on information security and cybersecurity, which are accessible to all employees of the Company. We also enhance employees' alertness to information security issues through email communications, signs posted in work spaces, simulation exercises, a training program, an annual event dedicated to information security and cybersecurity and more.

## Simulation exercises

We periodically conduct exercises that simulate real events. At the end of 2024, we conducted a surprise Company-wide exercise. This exercise simulated a leak of information from cloud-based systems, and participants included the Company's board of directors and management, the information systems division and the business continuity department.

We conduct an in-depth analysis after every exercise or incident and draw conclusions from the top (the Company's board of directors) down. We also compile incident summary reports, and issue quarterly incident reports to a steering committee headed by the Company's CEO and to the board of director's technology committee. We are also obligated to report incidents to the Privacy Protection Authority and to the regulatory division of the Capital Markets Authority.

In our view, every incident constitutes a platform for learning, strengthening systems and work processes and continuous improvement.

## Regulatory compliance

The Company complies with all privacy protection and information security laws and regulations. We are also certified under leading information and cyber security and privacy protection standards:

- ISO 22301 Business Continuity Management System
- ISO 27001 Information Security Management System
- ISO 27799 Medical Information Security Management System

We also comply with the stringent regulatory requirements of the Capital Market Authority's regulatory division and of the Privacy Protection Authority, and maintain close communications with the government's Cyber Defense Directorate and the Ministry of Finance.

The Company is committed to maintaining stringent information security rules, takes action to safeguard the privacy of its customers' information, and works in close cooperation with local regulatory authorities to ensure full compliance with cybersecurity and information security regulations at the highest standards.

## **We won 1<sup>st</sup> place in *People and Computers* magazine's Computing Excellence Competition in 2023**

Clal won 1st place with four outstanding IT projects.

## **Technology vendors conference**

In 2024, the Company held its first HR technology vendors conference. Clal's IT division recruits outsourcing employees throughout the year and ensures that it maintains a full staff of employees. During the conference, the participants were exposed to the technological challenges, recruitment model and employee experience in the Company.

# **Environmental responsibility**

## We attribute considerable importance to protecting the environment

for the sake of this generation and for future generations, and take action to reduce our environmental impacts. We operate according to the guidelines of the Company's environmental policy and include environmental considerations in our decision-making processes.

### Environmental policy

We transparently publish our environmental policy on the Company's website. This policy specifies the key components of our environmental approach and the principles applied in the Company's operating segments.

#### Policy principles:

- Identify types of environmental impact relevant to the Company's operations and its stakeholders
- Include environmental considerations in decision-making processes and work plans
- Obtain our business partners' commitment to adhere to our environmental policy
- Maintain continuous measurement, control and management of our environmental performance and our commitment to reliable, accurate and transparent reporting to the relevant authorities
- Comply with all requirements of environmental laws and regulations in Israel
- Strengthen environmental awareness among the Company's employees and managers

### Reducing greenhouse gas emissions

We employ the accepted international GHG protocol when mapping our sources of direct and indirect greenhouse gas emissions. According to this methodology, we divide our sources of emissions by scope for reporting purposes:

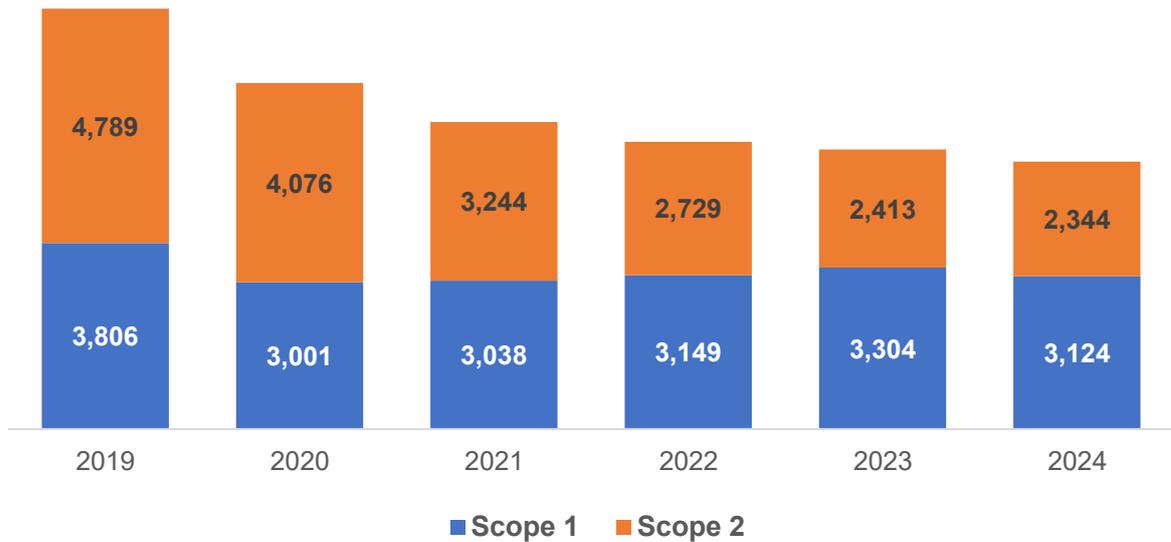
Scope 1 – direct emissions from fuel consumption in the Group

Scope 2 – indirect emissions from energy consumption.

**Between 2019 (when we began measuring) and 2024, we reduced our greenhouse gas emissions in these two scopes by 36.38%.**

**Between 2023 and 2024, we reduced our greenhouse gas emissions in these two scopes by a further 4.36%.**

GHG emissions 2019-2024 (CO<sub>2</sub>e)



## Ministry of Environmental Protection’s voluntary reporting mechanism

In 2019, we joined the Ministry of Environmental Protection’s initiative for voluntary reporting of greenhouse gas emissions. Adopting this initiative is another way for us to demonstrate our commitment to transparent reporting of our environmental performance and environmental awareness. Voluntary reporting to the Ministry of Environmental Protection is multi-year, under annual reporting cycles.

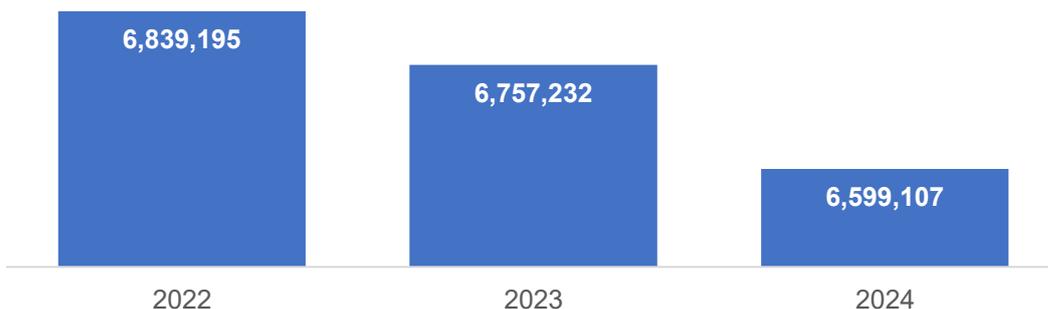
## Resource management and energy efficiency

Most of the Company’s energy consumption derives from electricity use in the Company’s offices and fuel consumption by Company cars. The Company is implementing numerous measures to increase energy efficiency and reduce consumption, including reducing car use by Company employees, switching to hybrid cars, shutting off computer, air conditioning and lighting systems in offices, and including a remote work day.

## Electricity consumption

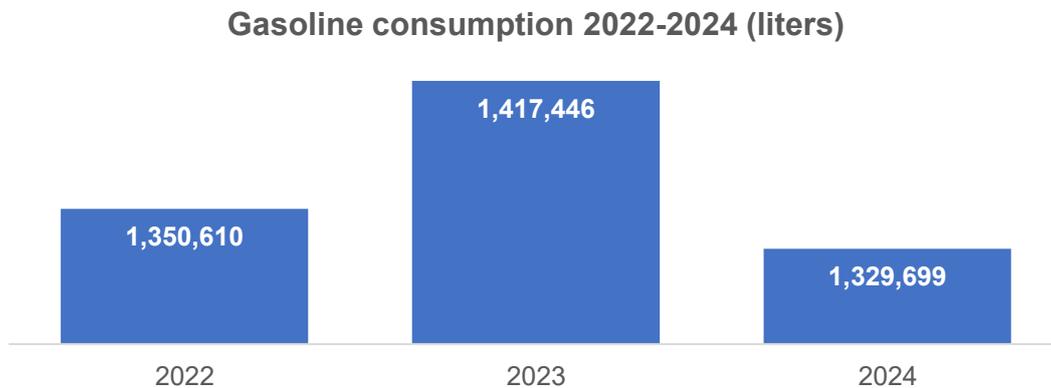
**Between 2023 and 2024, we reduced electricity consumption by 2.34%.**

Electricity consumption 2022-2024 (kWh)



## Fuel consumption

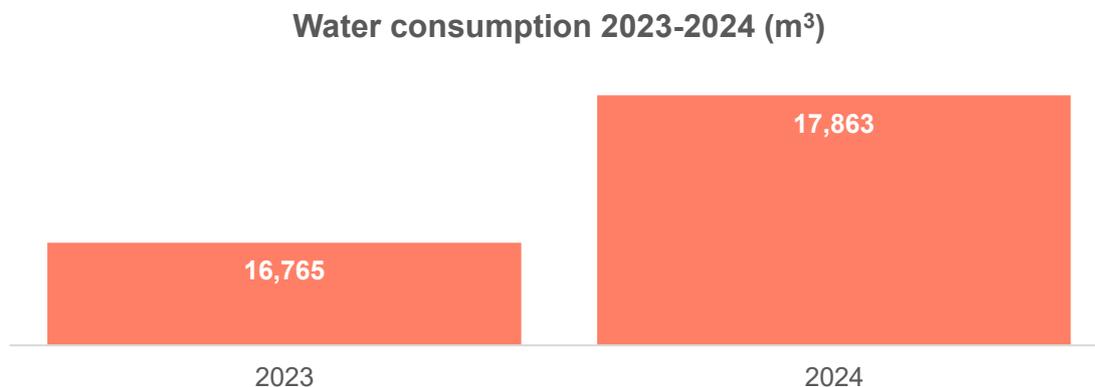
Between 2023 and 2024, we reduced fuel consumption by 6.19%.



## Water consumption

Between 2023 and 2024, our water consumption increased by 6.5%.

However, we are exerting considerable efforts to save water, including the installation of WINT systems in the Company's offices that issue alerts and prevent leaks. According to the WINT systems' data, in 2024, we reduced water use by 4,388 m<sup>3</sup> and saved ILS 61,000, which also reduced greenhouse gas emissions by about 66 tCo<sub>2</sub>e.



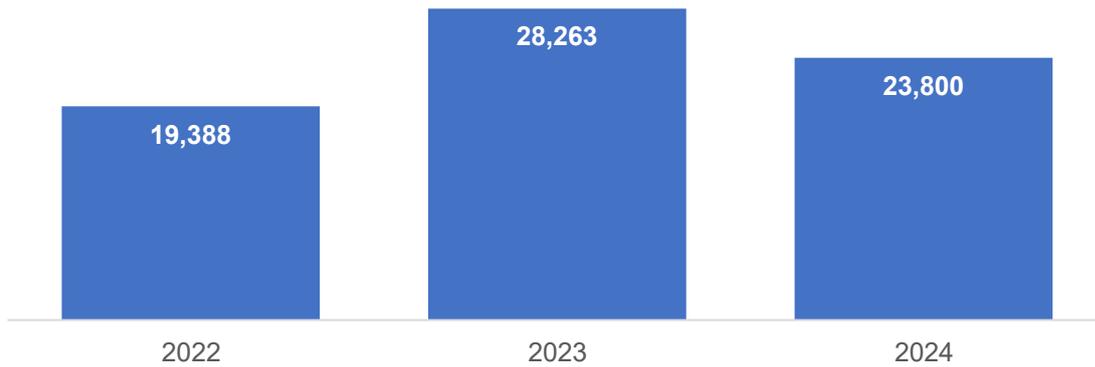
## Waste management and recycling

### Paper consumption and recycling

We market our products mainly with the help of insurance agents and provide our services both to the Company's insurance agents and directly to our customers. Thanks to the development of technological means in the insurance sector, the Company has upgraded its information systems and digital insurance tools.

We implemented major wide-scale measures to digitize documents and reduce the Company's paper consumption. Inter alia, the Company has launched numerous online services in recent years that enable the Company's agents to issue policies online, and additional digital services that enable the Company's customers to file claims directly via our website and to upload documents directly into the Company's digital system.

### Paper purchases 2022-2024 (kg)



We transfer all used paper for recycling.

**Between 2023 and 2024, we reduced our paper purchasing by 15.79%.**

### Handling of electronic waste

The Company transfers its electronic waste in compliance with the law to a waste recycling company that employs people with disabilities.

The Company sorts its electronic waste for three main types of handling:

1. Recycling
2. Reuse
3. Waste-to-energy conversion

**In 2024, we transferred 353 kg of electronic waste and 880 kg in 2023.**

# Responsibility in our supply chain

**Clal Insurance and Finance's procurement procedures strive to promote fair and effective business partnerships with suppliers who share the Company's social and ethical values, and verifies that its suppliers fulfill threshold criteria and other conditions depending upon the volume, duration and scope of the engagement.**

## **Procurement policy**

We operate in conformity with our procurement procedures and policies and take action to provide training in these procedures to our managers and employees. Our procurement procedures define threshold criteria for suppliers, including compliance with Israeli labor laws and regulations, no criminal proceedings, the prevention of conflicts of interest, diligence about safety, etc.

Our procurement policy also takes social aspects into account, such as: businesses owned by or that prioritize employment of underrepresented populations in the labor market. In addition to verifying that suppliers fulfill our threshold criteria, we document our examination processes in preparation for engagements, and include additional examinations depending upon the financial volume, duration and importance of the engagement.

We also examine our suppliers' conduct, inter alia, through random and sample inspections in compliance with relevant regulations. At the same time, we take action to prevent risks that could derive from engagements with third parties and implement proactive processes to prevent improper courses of action and bribery in agreements.

Furthermore, we perform information security and cybersecurity inspections of all potential suppliers, before engaging with them.

## **Responsible procurement policy appendix**

In 2024, the Company's management approved the responsible procurement policy appendix to our overarching procurement policy.

This new policy document describes our expectations from all of our suppliers, including compliance with statutory requirements and our prioritizing of ESG-related criteria in our engagements, mainly diverse and environmental suppliers.

## **ESG questionnaire for suppliers**

Within the context of our procurement policy appendix, and as part of implementing the Company's new ESG policy, the Company began collecting ESG data from its suppliers at the engagement stage in order to monitor the Company's ESG performance in its supply chain.

We are committed to safeguarding our suppliers' privacy in compliance with the Company's information security and confidentiality procedures.

## **Dialogues with our suppliers**

Clal Insurance and Finance authorizes its suppliers to use courses designed by the Company to train and enrich their employees, free of charge, and verifies that suppliers allow their employees to participate. Clal is the party that grants opportunities to its suppliers to train their employees. Training courses include enrichment training and lectures to improve skills and acquire management tools.

In 2024, we held an employee recruitment conference for placement firms, in which all of the leading placement firms in Israel participated. The companies learned about the employee experience at Clal, the activities of our customer relations department, roles in the department and employee support processes in the Company.

## About this report

This report for 2023-2024 is the third corporate responsibility report published by the Clal Insurance and Finance Group.

The report includes Clal Insurance and Finance's activities, excluding the activities of MAX.

This report, which was compiled consistently with the GRI Universal Standards 2021, presents the Group's activities spanning a variety of corporate responsibility topics, and serves to further increase transparency and make information accessible to the Group's stakeholders, primarily to its employees, managers and customers.

The information and data presented in this report were collected from interviews with functionaries in the Group (employees and managers), from analyses of financial statements, the Group's Code of Ethics, and other internal and public documents.

**If you have any questions or queries about this report and its contents, please contact Yael Yehuda, the Company's Spokesperson, Content and ESG Manager [yaelyeh@clal-ins.co.il](mailto:yaelyeh@clal-ins.co.il)**

