



The Israeli Spirit is our Insurance

ESG Report | 2023-2024



Contents

							
4	13	26	33	48	58	66	74
About Harel	Customers, Products and Services	Investments	Employees and Work Environment	Social Responsibility and Community Engagement	Environmental Sustainability	Ethics and Corporate Governance	Reporting Approach and GRI Index



Amid these events, the Israeli spirit once again emerged as a driving force: a spirit of initiative, responsibility, perseverance, and dedication to the common good.



A Message from Harel's Chairman and the Chief Executive Officer

Harel Group's seventh Corporate Responsibility Report reflects our ongoing commitment to aligning business excellence with social values, recognizing that enduring success is founded on strong partnerships, trust, and meaningful contribution to society.

The years 2023 and 2024 were among the most challenging in the history of the State of Israel. The events of October 7 and the Iron Swords War redefined the boundaries between routine and crisis, presenting complex national challenges alongside innovative business activity. These unprecedented circumstances tested the nation's, and our own, resilience, solidarity, and hope.

During this period, Harel Group chose to focus on growth, innovation, and customer service, adapting to a rapidly changing reality and the evolving needs of our customers. We expanded our investments in the Israeli economy, reinforced our support for the business sector, and implemented measures to safeguard employment.

We led initiatives to promote digital innovation, enhanced customer experience, and strengthened our investment in advanced technologies and service infrastructure. These efforts were achieved while maintaining financial stability, managing risks responsibly and upholding our core values of transparency, dependability, professionalism, and social responsibility.

Alongside these endeavors, we focused on strengthening Israel's civilian population: supporting residents of Gaza border communities (the Gaza Envelope) and evacuees from conflict zones, assisting the families of hostages and those injured, standing by first responders, and investing in social initiatives across health, education, agriculture, and employment - with particular attention to underprivileged populations and marginalized geographic and sociocultural sectors. We are proud of our employees, partners, and customers, who empower us to continue to lead responsibly, deliver on our commitments, drive innovation, and make a lasting difference.

The Israeli spirit is our shared insurance - and will remain our guiding force for years to come.

Yair Hamburger

Chairman, Harel Insurance Investments & Financial Services

Nir Cohen

CEO, Harel Insurance Investments & Financial Services

About Us

Our success stems from a unique combination of strategic foresight and business growth engines, anchored in the core values that define us - what we call the "Harel spirit".

So what is the "Harel spirit"? It is the result of decades of experience, exceptional professionalism, and dedicated service that stand at the heart of our commitment to our customers. It also reflects an advanced technological array, our ongoing learning and development, our extensive understanding of the market, and the drive to reinforce business relationships in Israel and abroad. Alongside these, we maintain a warm and welcoming organizational culture, provide a caring and nurturing work environment, support our communities and uphold values of responsibility, social engagement and generosity.

Shlomit Oved, Manager, General Insurance, Customer Experience Division



As one of the leading insurance and finance groups in Israel, we at Harel hold a daily responsibility for the future and financial security of more than 4 million customers.





The Harel spirit lights the **FLAMES** in the torch of our core values, highlighting our values' initials:



Family

Harel is a family, providing a welcoming and inclusive place for our employees and customers to grow and develop.



Leadership

Promoting innovative and creative business solutions and ongoing learning and business agility to fortify our relative advantage and enable us to remain a leader even in evolving market conditions.



Accountability and integrity

A basis for all our business operations at Harel.



Management dedication

Our management is dedicated to meet the needs and expectations of all our stakeholders.



Employees

Our employees are our most precious resource and therefore their development, work-life balance, empowerment, promotion and retention are amongst our highest priorities.



Service

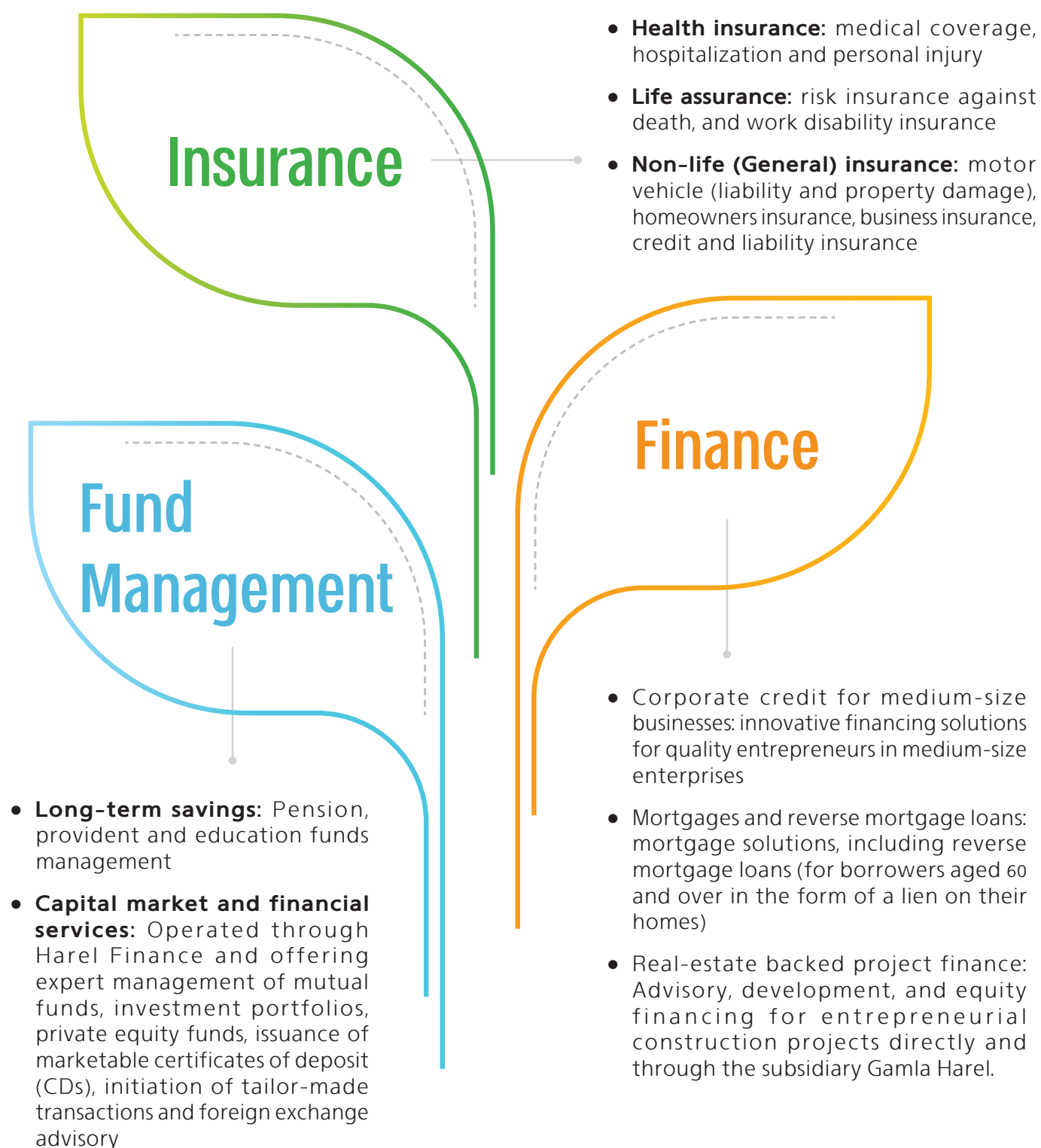
Our customers are the foundation of our existence. We invest significant efforts in identifying and understanding their exact needs and providing swift and courteous customer service.

Libby gitta, Data Optimization, Learning and Development Department



Fields and Scope of Activity

With 90 years of experience in the insurance sector and over four million customers, Harel Insurance and Finance is one of Israel's largest and leading insurance groups. We offer a wide range of services in the fields of insurance, savings and finance.

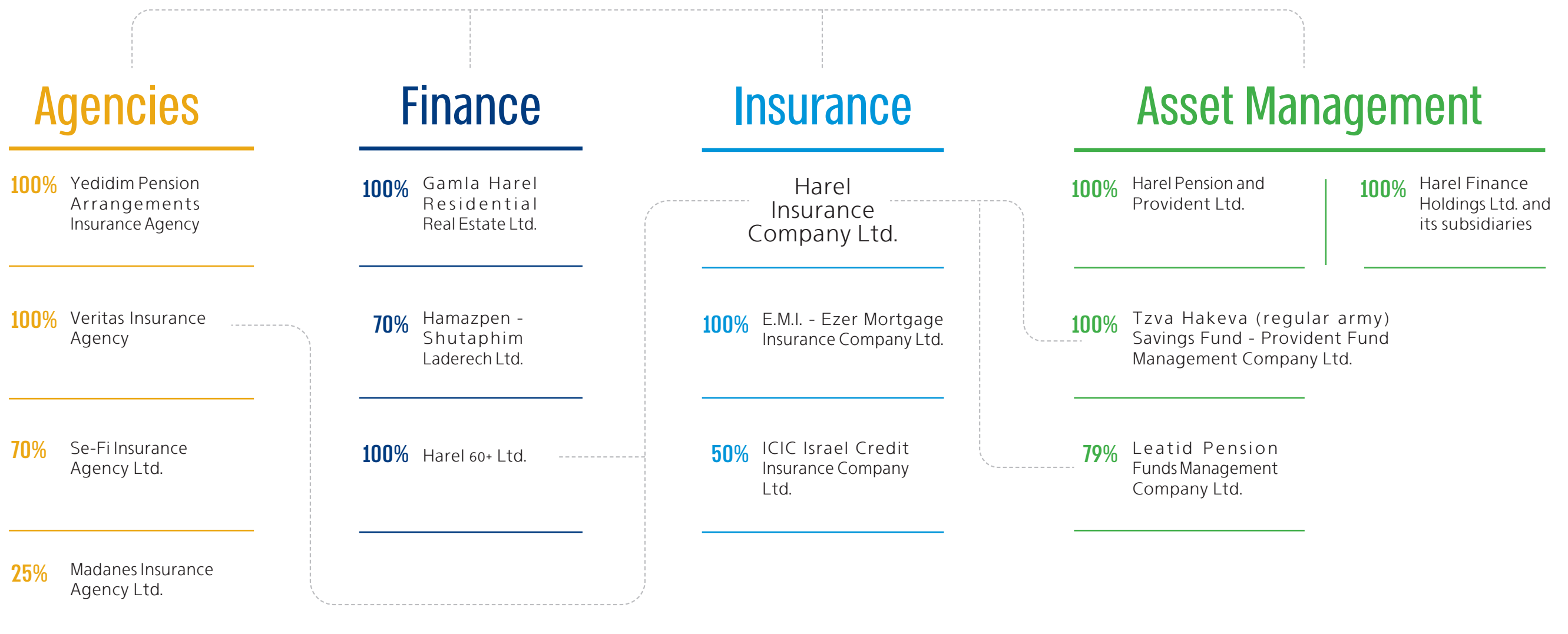


Areas of Activity

The Group conducts the majority of its operations in Israel. Our headquarters are situated in the Harel House and M.E.H House towers within the Diamond Exchange complex on the Ramat Gan - Tel Aviv border. Additional offices are located in Jerusalem, Haifa and Petach Tikva.

Our Holding and Organizational Structure

Harel Insurance Investments & Financial Services Ltd.



Awards, Recognitions and Ratings

Israel Insurance Association

Since its inception, Harel has been a member of The Israel Insurance Association - a voluntary organization that incorporates the majority of active non-life and marine insurers in Israel. During the years 2016-2024, the Group's chairman, Yair Hamburger, served as the Chairman of the Israel Insurance Association and of the Association of Life Insurance Companies of Israel on a voluntary basis.

Maala Rating

Maala is an organization comprised of over 110 of the country's most prominent corporations, seeking to promote corporate responsibility and develop standards of responsible management in Israel. Harel has been a member of Maala since 2008 and consistently rated "Platinum Plus", the organization's highest rating, since 2015.



Consistently rated
Platinum Plus,
Maala's highest rating, since 2015

Ofer Klein, Head of the Economics
and Research Department



The Valuable 500

Since 2020, we have been a part of the Valuable 500 initiative, a collective of 500 multinational companies dedicated to promoting accessibility, inclusion and employment of disabled individuals. In 2023 we were rated fourth (out of 14) in the insurance sector and in 2024 climbed to second place. The rating parameters are based on the company's balance sheet, gross premiums and total profit.

Forbes World's Best Employers

2023 marks Harel's second year amongst Forbes prestigious list of 800 of the world's best employers.

Best Companies of the Year Ceremony Presented by "Adif Insurance"

In 2023, Harel was honored with awards in 3 categories:

1. "Cross-Industry Innovation": for Harel's "Guts" Innovation Hub, which connects entrepreneurs with cutting-edge technological solutions.
2. "Investment House of the Year": awarded to Harel Finance for its strong performance in navigating market challenges and its collaboration with professional advisors.
3. "Insurance Agency of the Year" in the General Insurance category (awarded to Veritas Agency).

In 2024, we received recognition in 2 additional categories:

- Community contribution
- Health Insurance Initiative of the Year: awarded for enabling policyholders to reinstate their "First Shekel" health policy within five years.

Globes Brands Index

In 2024, for the third consecutive year, Harel ranked first in the "Globes" brands index in the Insurance and Pension Companies category. The ranking is based on public opinion surveys, media exposure, innovation, and corporate responsibility.

50 Most In-Demand Companies

An annual list of the 50 most in-demand companies sponsored by Mako, Israel's most popular content portal and AllJobs, a career management portal, based on a survey of approximately 15,500 employees and university students:

- In 2022, we ranked **48th**
- In 2023, we advanced to **41st** place

BDI Ranking: Best Companies to Work For

In the 2024 BDI ranking, Harel was placed 65th out of 100. The ranking is based on surveys among employees and HR managers, as well as metrics on investment in human capital.

In 2024, for the third consecutive year, Harel ranked first in the "Globes" brands index in the Insurance and Pension Companies category. The ranking is based on public opinion surveys, media exposure, innovation, and corporate responsibility.



Corporate Responsibility at Harel

As Israel's leading insurance and financial group, we recognize our far-reaching responsibility to create a safe and secure future not only for our customers, but for the community and environment in which we all live.

Corporate responsibility is an integral part of how we manage our organization: combining values, ethical conduct, and sound governance with a continuous pursuit of business excellence and leadership. Our ongoing commitment is to create meaningful value for all our stakeholders. Our policy is guided by ESG principles, reflected in a wide range of ongoing initiatives that deliver a positive environmental, social, and corporate governance impact.

Harel Board Member, Ms. Liora Kvoras-Hadar, has closely overseen the Group's sustainability and corporate responsibility activities over the years. She is also responsible for updating the Board on the Group's progress and performance in this area.

Mor Darsa, Marketing Segments
Manager, Standard

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The United Nations defined 17 Sustainable Development Goals (SDGs) adopted in 2015 through a joint effort by governments, corporations and international organizations. The goals address the challenges of global sustainability and define the global agenda for social, environmental and economic development until 2030.

As part of our corporate responsibility strategy, Harel has embraced these goals as the cornerstone of our approach to responsible operations. We are proud to join leading organizations worldwide in driving progress toward these shared global objectives.

We have identified 8 SDGs that are most relevant to our operations:

SDG 3: Good health and Well-Being

Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to effective and quality medical care.

Target 3.b: Support research, development and universal access to affordable vaccines and medicines.

Target 3.d: Strengthen the capacity of early warning systems, risk reduction and management of national and global health risks.

SDG 7: Affordable and Clean Energy

Target 7.4: Promote access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

Target 7.5: Expand infrastructure and upgrade technology for supplying modern and sustainable energy services, including through investments in energy efficiency, technology and infrastructure.

SDG 8: Decent Work and Economic Growth

Target 8.2: Achieve higher levels of economic productivity through diversification through a focus on high value added and labor-intensive sectors.

Target 8.5: Achieve comprehensive and productive employment and decent work for all, including persons with disabilities, equal pay for work of equal value and decent pay.

8.8 Protect workers' rights and promote a safe and secure work environment for all workers.



The Israeli Spirit is our Shared Insurance

Since the terror attacks launched on Saturday, October 7, 2023, we at Harel have rallied in support of the Israeli community.

Throughout this challenging period, our employees and agents have exemplified an exceptional spirit of giving, solidarity, and dedication - through individual initiatives and collective efforts to support residents of the Gaza Envelope and other conflict zones, as well as soldiers and the families of hostages. Our commitment to continue serving as a source of security and stability remains unwavering. The Israeli spirit is our shared insurance.

The Israeli spirit embodies a distinctive blend of qualities shaped by a complex history, shared experiences, and a rich multicultural heritage. Together, these elements form the foundation of a resilient and dynamic national character:

- Social solidarity - a profound sense of mutual responsibility and community support that defines Israeli society. Communities consistently come together in times of national crisis, demonstrating remarkable resilience, unity and compassion.
- Courage and initiative - even amid complex security, economic, and political circumstances, Israelis are distinguished by their readiness to take risks, innovate, and face challenges.
- Cultural diversity - Israeli society is composed of many communities, each contributing its own cultural depth and perspective, enriching daily life and strengthening collective identity.
- Flexibility and resourcefulness - Israelis are known for their adaptability and ability to devise creative solutions in the face of uncertainty.
- Bravery and resilience - over the years, Israeli society has been forced to contend with profound challenges. The capacity to recover, persevere, and emerge stronger has become a hallmark of the Israeli spirit.
- Love of the land and connection to our roots - deep pride in Jewish and Israeli heritage, together with a strong connection to the land, nature, and local culture, form an integral part of our national identity.



As one of Israel's leading insurance and financial groups, we at Harel take great pride in our Israeli heritage and the spirit that defines us, characterized by initiative, agility, steadfast commitment to our customers, and dedication to our community. These values guide us through times of stability and through adversity.

Ilan Shaked, Purchasing Supervisor, Health and Life Division

Harel Customer Service: Embodying the Israeli Spirit

Reflecting the Israeli spirit, with its flexibility, creativity, and practical problem-solving, Harel's customer service places the client at the heart of everything we do. We are committed to delivering timely and efficient solutions, ensuring that every customer experiences a sense of security, confidence, and trust in our services.



Our Customers



Anhzela sakovska,
Finance Department,
Legal Services

At the core of Harel's vision to provide security to millions of customers lies a firm commitment to deliver service excellence across all areas of our operations:

Health

Health insurance policies are offered to individuals, collectives, tourists and temporary foreign workers

Long-term savings

Our customers include salaried employees, self-employed and individuals who purchase private coverage, independent of their place of employment

Non-life (General) insurance

Private and corporate policyholders

Credit

Private and corporate investors

Finance

Private and corporate investors

Service Level Agreement

Harel's Service Level Agreement reflects our unwavering commitment to providing every customer with professional, high-quality, and courteous service. It is founded on a set of guiding principles that define how we operate.



Mor David, Project Manager, Organization and Methods

Customer Service

We aspire to provide our customers with the highest quality of service, through ongoing improvements and efficiency enhancements and in line with market changes and customer needs. Services are delivered directly or through our agents.

As an insurance company, we engage with our policyholders at key moments in their lives: purchasing a new home or vehicle, planning for retirement, navigating health challenges, etc. Our goal is to provide our customers with the assurance and confidence that we will be there for them when it matters most.

Or in the words of our motto:

"You may have insurance, but you don't have Harel"

Customer Service During Wartime

From the onset of the Iron Swords War, we recognized the need to adapt our customer service to address the emergency conditions and the urgent needs of those harmed. Dedicated phone and WhatsApp channels were established to ensure direct and immediate access to support, eliminating the need for automated routing and minimizing response times.

In addition, an internal emergency operations center was activated within the Customer Service Division, bringing together experts from across the organization. In collaboration with dedicated operations representatives, they provided timely, professional, and compassionate assistance to impacted families.



Noy Sigawi, Purchasing Supervisor, General Insurance

Search and Rescue – Service to the Far Reaches of the World

Harel 669

Our search and rescue team, **HAREL 669**, has been operating around the world for over 20 years. The team includes Israeli search and rescue experts with experience in deploying and operating hundreds of rescue missions around the globe.

The team provides search and rescue services to our travel insurance policyholders when facing an emergency situation abroad. A dedicated hotline operates 24 hours a day, seven days a week, ensuring immediate response whenever assistance is needed.

Harel 669 is highly skilled in operating under complex terrain conditions such as mountains, jungles, rivers and deserts. The team is trained to provide on-site first aid to travelers experiencing altitude sickness, evacuate the injured, and rescue individuals suffering acute mental distress resulting from trauma or substance abuse.

From the moment the initial call is received until their safe return home, we offer continuous support throughout the search and rescue mission to both the traveler abroad and their family at home.



Rescue One Global

In addition to Israel's "Harel 669" team, we also manage a global rescue network, Rescue One Global, which enables the activation of local search and rescue resources across most regions of the world, and assists in facilitating solutions to various rescue incidents in accordance with specific needs and with immediate response.

In September 2023 Storm "Daniel" caused record-breaking rainfall in Greece, leading to severe flooding and road blockages. In response, Harel's rescue unit was deployed to central Greece, and a dedicated operations center was established to assist policyholders and their families. The unit completed three helicopter evacuations for Israeli families who were stranded due to blocked roads. At the same time, a strong earthquake took place near Marrakech, Morocco. Harel's operations center received approximately 70 requests for assistance from policyholders and their families. In response, travel insurance coverage for all policyholders in Morocco was extended by an additional 72 hours, and a rescue team was dispatched directly to the affected area. After a week of intensive operations, the teams safely returned to Israel.

Accessible and Inclusive Service

We continually invest in improving and expanding communication channels to ensure that every customer can reach us easily and receive the assistance they need promptly. Service is available through multiple channels, including dedicated call centers (with a 24/7 emergency hotline), our website, email, fax, online chat, WhatsApp, postal mail, and social media platforms.

Equal Access for All

We place great importance on ensuring accessibility across all our service channels, recognizing this as an essential component of our daily operations. Our customers represent diverse populations and sectors, and our goal is to provide every individual with service that is accessible, equitable, inclusive and tailored to their specific needs.

Ensuring Inclusive Access to All Services

As part of Harel Group’s broader corporate responsibility strategy, and in compliance with the Equal Rights for Persons with Disabilities Law (1998) and related regulations, we actively promote accessibility in all areas of our operations.

Our Accessibility Coordinator works in close collaboration with all business divisions to ensure that customers with disabilities receive appropriate and effective service. In specific cases, tailored solutions are provided in line with regulatory requirements. In addition, 17 trained representatives across various departments provide dedicated service to customers with disabilities.

Key accessibility initiatives include:

- All online forms meet accessibility standards and undergo ongoing quality reviews.
- In 2023, full accessibility upgrades were completed for all website components in partnership with Access Israel and Accessibility for All. A dedicated process for managing accessibility-related inquiries was established to ensure timely and compliant responses. Any reported digital accessibility issue is addressed in compliance with legal requirements.
- In early 2025, a dedicated telephone routing system for customers with disabilities was launched, simplifying the process and connecting callers directly with service representatives.
- Parking facilities were upgraded to include improved markings and additional accessible signage across all Harel sites.

Accessibility Representatives: Building Organizational Awareness

In 2024, Harel established an Accessibility Representatives Community, comprising 35 employees from diverse departments. Each representative completed dedicated training and now provides their teams with guidance on accessibility issues, helping to integrate accessibility standards, practices and awareness into day-to-day operations.

Throughout the year, we hosted professional seminars that included lectures (in-house and outsourced), tours of accessible service centers, and workshops promoting the inclusion of employees with disabilities. Regular accessibility training is also provided to all new customer service employees.

Our commitment is clear: to strengthen organizational awareness of accessibility, promote inclusive employment opportunities, and ensure compliance with accessibility legislation through ongoing learning, training, and practical implementation.

Service for Deaf and Hearing-Impaired Customers

In 2022, as part of our ongoing efforts to enhance service accessibility, Harel became the first insurance company to launch a pilot program with "Sign Now", a service-based technology designed to bridge the communication gap between the hearing-impaired community and service providers. Through the program, customer interactions are conducted via video chat, with a sign language interpreter joining the Harel representative to facilitate real-time communication.

The service, available in Hebrew, Arabic, and Russian, is offered free of charge to customers. Additionally, Harel's Accessibility and Digital Coordinator has undertaken sign language training to lend intraorganizational support to customers and employees whenever needed.

Dedicated Service for Senior Citizens

Harel is dedicated to optimizing its services for our senior citizen policyholders, investing considerable effort to provide assistance that is professional, respectful, and efficient. The Group's Senior Citizens Service Policy is designed to ensure a high-quality, continuously improving service experience that reflects care and accessibility.

Key initiatives implemented include:

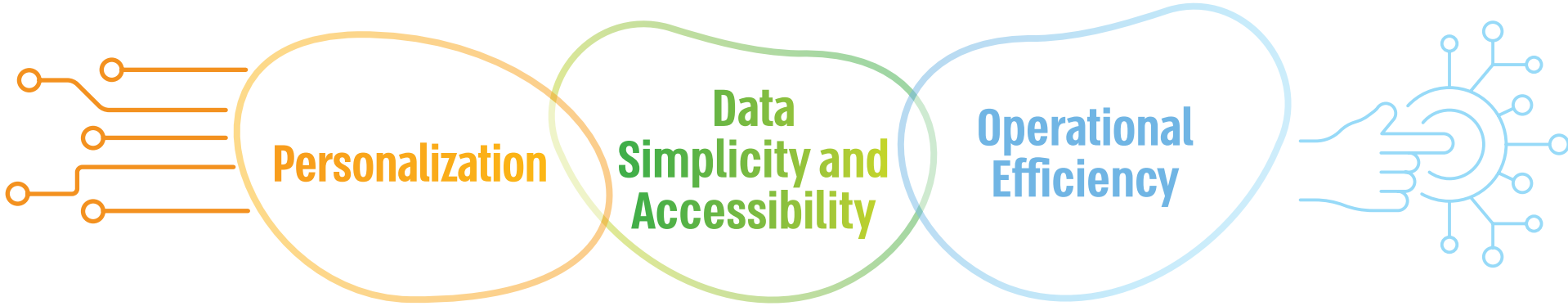
- Appointment of a Senior Citizens Officer - an experienced staff member trained by a specialized consultant in issues relevant to elderly populations.
- Publication of an updated Service Level Agreement on the Company website, including a section focused on dedicated services for senior citizens.
- Mandatory specialized training for all employees who provide customer service, handle public inquiries, or engage in the sale of insurance and savings products.

- Implementation of a dedicated call routing system that identifies customers by their ID number, automatically directs them to a representative without requiring a password, and provides real-time queue updates with the option to add another participant to the call.
- When a senior citizen is identified, a notification appears on the representative's screen, prompting personalized service according to the representative's training.
- Establishment of protocols to identify potential financial exploitation, ensuring stronger protection for elderly customers.
- Adaptation of digital interfaces for senior users, including straightforward navigation, simplified functionality, and high-contrast color schemes.
- Telephone-based claim submission through specially trained representatives, with proactive follow-up in certain cases.
- Public inquiries from senior citizens are addressed within 21 days or less.
- Beginning in 2024, evaluation of opportunities to employ senior citizens within service roles.
- Ongoing evaluation and improvement of all existing services to ensure continued accessibility and relevance.

Yarden Haim, Accessibility Coordinator



Digital Service Values



Digital Transformation

In recent years, we have invested in developing advanced technological processes designed to meet our customers' evolving needs, with a focus on fast, seamless, and accessible digital services for both customers and agents.

Harel is at the forefront of the insurance industry's digital transformation, implementing innovative tools that allow customers to manage essential services efficiently and conveniently, anytime and anywhere, keeping pace with the demands of modern life.

Customer-Centric Innovation: The Digital and Service Division

Harel's Digital and Service Division operates with a clear customer-focused vision and represents a unique component of our organizational structure. The division leads the Company's digital transformation as an integral part of Harel's DNA, working in close collaboration with all business divisions, departments, and agents.

When AI Meets the Customer

Aligned with Harel's innovation strategy, we are continuously exploring advanced artificial intelligence tools to enhance customer experience and improve service efficiency. In 2023, as part of our long-standing collaboration with Microsoft Israel, we began integrating Microsoft's Azure OpenAI service into our operations.

This technology enables representatives to generate concise call summaries, instantly locate relevant data, and send precise, timely updates to customers. The integration of AI contributes to shorter response times, improved service quality, and reinforces the effectiveness of human representatives, all while upholding ethical principles, data privacy, information security, and risk management standards.

A CRM System That Understands the Customer

As part of our ongoing commitment to enhancing customer experience, in 2024 we launched a new CRM system in collaboration with the Digital and Service Division, Harel Hamishmar Computers (the Group's technology arm), and Salesforce Israel. The system is now fully operational across the majority of our customer service centers. This platform enables representatives to deliver accurate, expert, and personalized support during the call itself, reducing processing times and ensuring a seamless and efficient service experience.

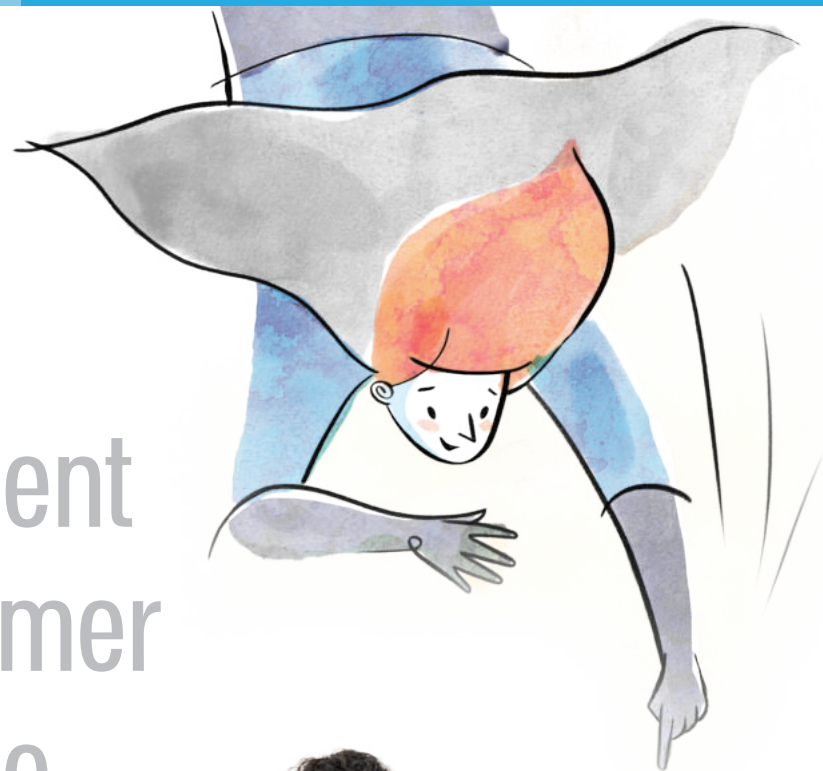
Key features of the system include:

- A unified customer timeline displaying a record of all interactions with Harel, for a complete customer profile.
- Real-time data integration from operational systems, eliminating the need to switch between platforms.
- Structured workflows and tailored conversation templates, guiding representatives through each step.

Service Management and Customer Experience

The service and customer experience function is managed and monitored across all levels of the Group. We leverage advanced technologies for data collection, insights generation, and process optimization, with the goal of enhancing the overall service interface.

Service quality and customer satisfaction are continuously measured through internal mechanisms alongside external service metrics set by the Capital Market, Insurance, and Savings Authority. We believe that combining "invariable" metrics, such as response times and accuracy, with "variable" metrics, such as the sense of confidence and care we instill in our customers, is the optimal approach to maximizing the customer experience.



Inbar Ben-Shimol
(left), Operations and Service Representative, Aerospace Industries;
Hadar Baruchi, Pension Claims Certifier



Exceptional Service Starts from Within

At Harel, we believe that exceptional customer service begins with our employees. We promote the professional development of our service representatives, ensure a proper work-life balance, provide professional tools, hold a variety of team-building and wellness activities, all in an effort to improve the employee experience and create a sense of bonding, belonging and team pride.

A pleasant work environment and clear internal career tracks contribute to long-term employee retention, establishing the role of the service representative as a meaningful and evolving profession within the Group.

Training and Development

Our internal training programs focus on enhancing both technical and interpersonal skills, ensuring that every service representative is well-equipped to meet customer needs. Employees receive hands-on training, workshops and refresher courses throughout the year. Among our programs for implementing service culture within the organization:

- **A series of 4 orientation workshops for new service representatives:** Focused on developing a customer service approach, conversation techniques and integrating effective communication skills. For experienced representatives, quarterly refresher workshops are held to reinforce service standards, enhance motivation, and improve response quality.
- **Mentoring Program:** Our flagship training program where seasoned employees mentor and provide professional support to new employees, improve the onboarding process while enhancing their own motivation and professionalism. Mentors participate in a dedicated workshop designed to boost both their personal engagement and their contribution to the team.
- **Written Communication Workshops:** To promote the Group's digital transformation, we held a dedicated workshop for customer service based on written communication: accurately conveying messages, transforming spoken language into written and service-oriented language.
- **Stress Management and Resilience Building Workshops:** Throughout 2023, all service department personnel participated in stress management workshops to support continued service excellence in a dynamic work environment while maintaining personal well-being.

Our Agents - Partners in our Journey

Harel maintains a skilled and extensive network of thousands of insurance agents operating nationwide through our regional offices and branches. Our agents provide customers with personalized, high-quality, and reliable service.

As they are in direct contact with our customers on an ongoing basis, **we regard them as full partners in our journey**. Accordingly, we invest in cultivating long-term relationships, maintaining their satisfaction, and providing comprehensive support at the highest level.

As part of our commitment to their success, we focus on agent empowerment and provide advanced tools for professional development. This includes weekly online training programs, professional workshops, wellness initiatives, and expanded service channels.

Fostering the Next Generation of Insurance Agents

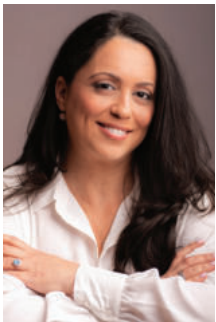
To advance the growth of the insurance sector, Harel has provided scholarships for undergraduate and graduate studies to family members of active insurance agents during

the reporting period. These scholarships were sponsored in part by the Israeli Insurance Agents Association and the Hamburger Family Scholarship Fund. This initiative encourages younger generations to join the insurance profession while strengthening intergenerational knowledge transfer and the preservation of professional values.

Digital Tools for our Agents

Our digital transformation efforts are also aimed at improving service for agents. We develop and provide technological tools that enhance their digital capabilities and enable smart, efficient sales through automation of enrollment and sales processes. These tools save time and resources, allowing agents to dedicate more attention to personalized service and professional advice.

- The **"My Portfolio"** App offers agents convenient access to the main website from any device or location, with a regularly updated and improved agents' portal.
- A **WhatsApp channel** including a dedicated travel chat provides agents with options for direct communication with our travel services center.
- In 2023 we launched **"Business in a Click"**, a user-friendly digital interface for small and medium business clients, developed in collaboration with agents from initial concept to final feedback.
- In 2024 we launched **"OptiWeb"**, a digital underwriting platform for health and life insurance policies. The system provides immediate online responses regarding eligibility, individual premiums, and medical add-ons once the sale is complete and a health declaration is submitted.



The automated digital underwriting process streamlines even complex or unique policies. We are proud to stand at the forefront of technology and innovation, facilitating the sales process and allowing agents to focus on professional client engagement. These solutions complement Harel's broad range of tools, services, and products available to our agents".

Hagit Tzafrir, SVP, Head of Underwriting, Health and Life Insurance Division

Measuring, Learning, Improving

We continuously refine internal metrics and evaluation frameworks, alongside regulatory mechanisms, to enhance customer experience and drive ongoing improvement across our operations.

Customer Satisfaction Surveys

Our service centers monitor customer satisfaction in real time. Each customer receives a short digital survey after any interaction, with approximately 3,000 responses collected monthly. Low scores are immediately flagged and forwarded to the responsible agent, who is required to follow up with the customer. Direct supervisors are also notified and conduct a case review. Survey results are analyzed to extract insights, enhance service, and optimize operational processes.

In March 2023, surveys were updated to measure:

CSAT - Customer Satisfaction Score | **NPS** - Net Promoter Score | **CES** - Customer Effort Score

Dialogue with our Customers

We believe in maintaining an ongoing dialogue with our customers, insurance agencies, and agents, as a means of establishing long-term relationships, strengthening mutual trust, and developing a better understanding of their needs.

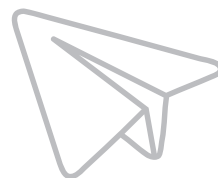
We actively listen to every inquiry received through our various communication channels, analyze recurring issues, and derive practical insights and conclusions for continuous improvement. We regard any customer who takes the time to provide feedback or share a service-related comment as an engaged and valued customer, one worth retaining and nurturing.

Concurrently, we continue to develop dedicated content channels for our customers, insurance agents, and the general public, to strengthen relationships, expand access to information, and foster a sense of partnership.

The Latest Financial Markets News and Updates

We operate a dedicated Telegram channel that provides real-time updates on developments in the capital markets, economic trends, and financial news. This innovative communication channel is open to all our clients - investment advisors, insurance agents, and private customers alike

As of 2025,
our Telegram Channel
boasts over -
36,000
subscribers



An Annually Updated Product Catalogue

We strive to provide financial and insurance solutions that cater to all sectors of Israeli society and the evolving market demand. Our product portfolio is updated annually, introducing new solutions designed to deliver targeted, relevant and forward-looking responses to emerging needs.

Corporate Credit Insurance - ICIC

The Israeli Credit Insurance Company Ltd. (ICIC) is the leading credit insurer in Israel. ICIC is an equal partnership company, jointly owned by Allianz Trade - the largest credit insurer in the world, and Harel Insurance Investments and Finance.

ICIC insures corporate credit and provides guarantees backed by the leading reinsurers in the world. The company provides credit risk management tools to over 500 businesses active in various market sectors and its policyholders include many of the leading companies in Israel. Its financial resilience and prudent risk management have earned ICIC an A rating by the international rating agency S&P, AAA by the local rating agency Maalot, and 2Aa for financial strength by Midroog, which is partially owned by Moody's, one of the three largest global rating agencies. Through its operations, ICIC contributes to enhancing the financial stability of small, medium, and large enterprises, allowing them to enjoy greater flexibility and sustainable business growth.

2023 and 2024 at a Glance

Harel Fidelity

In 2024, we launched a unique strategic collaboration with International Fidelity, one of the world's longest-standing investment management firms, with over 50 years of experience and more than 500 global investment managers.

This first-of-its-kind partnership combines Harel's local expertise and financial strength with Fidelity's international reach and global investment experience. Together, we provide our customers with access to a broader range of advanced investment opportunities.

This joint venture allows customers access to a broad range of advanced investment opportunities

Collaboration with Beazley

In 2024, we entered into a new partnership with Beazley, a leading UK-based insurance company with extensive operations across Europe, North America, and Asia.



Our partnership with Beazley marks another milestone in Harel's ongoing strategy to strengthen and expand collaborations with the world's leading insurers. It further

reinforces Harel's position as a market leader in global commercial insurance, supporting Israeli companies with worldwide operations. Today, Harel stands as the only insurance group in Israel with 21 active partnerships across the globe".

Gideon Hamburger,
President, Harel Insurance Investments & Financial Services Group

Supplementary Health Insurance Coverage

As part of our commitment to our customers' well-being, we extended the option for policyholders automatically transferred to the Supplementary Health Insurance coverage ("Shaban") following the health insurance reform, to return to the "First-Shekel" coverage for up to five years (instead of one as determined by the regulator). The transition is available with no new health declaration, no retroactive premiums (except in specific cases), and no waiting period (provided no condition requiring surgery has been diagnosed).

Additionally, we launched an advanced digital system for managing and updating surgery claims in private policies under the "Shaban" framework. The system provides real-time claim status updates and digital issuance of approval forms. A new mechanism for advance payments of deductibles was developed as well. These initiatives reflect our commitment to advanced, accessible, and digital service, streamlining the claims process to make it simpler, faster, and more transparent.

Pet Insurance Coverage

In 2023, we enhanced our product portfolio by introducing a unique pet insurance coverage as part of our comprehensive car insurance policy. This innovative product, developed with advanced technology and AI tools, covers medical treatments, diagnostics, surgeries, and medication in the event a pet is injured in a car accident. The policy also includes compensation in the event of a pet's death.

First Class Travel Insurance

Our new First Class travel insurance policy offers broad, customizable coverage designed to fit each traveler's health profile and travel style, ensuring comprehensive coverage and peace of mind throughout the journey.

GUTS - Innovation by Harel

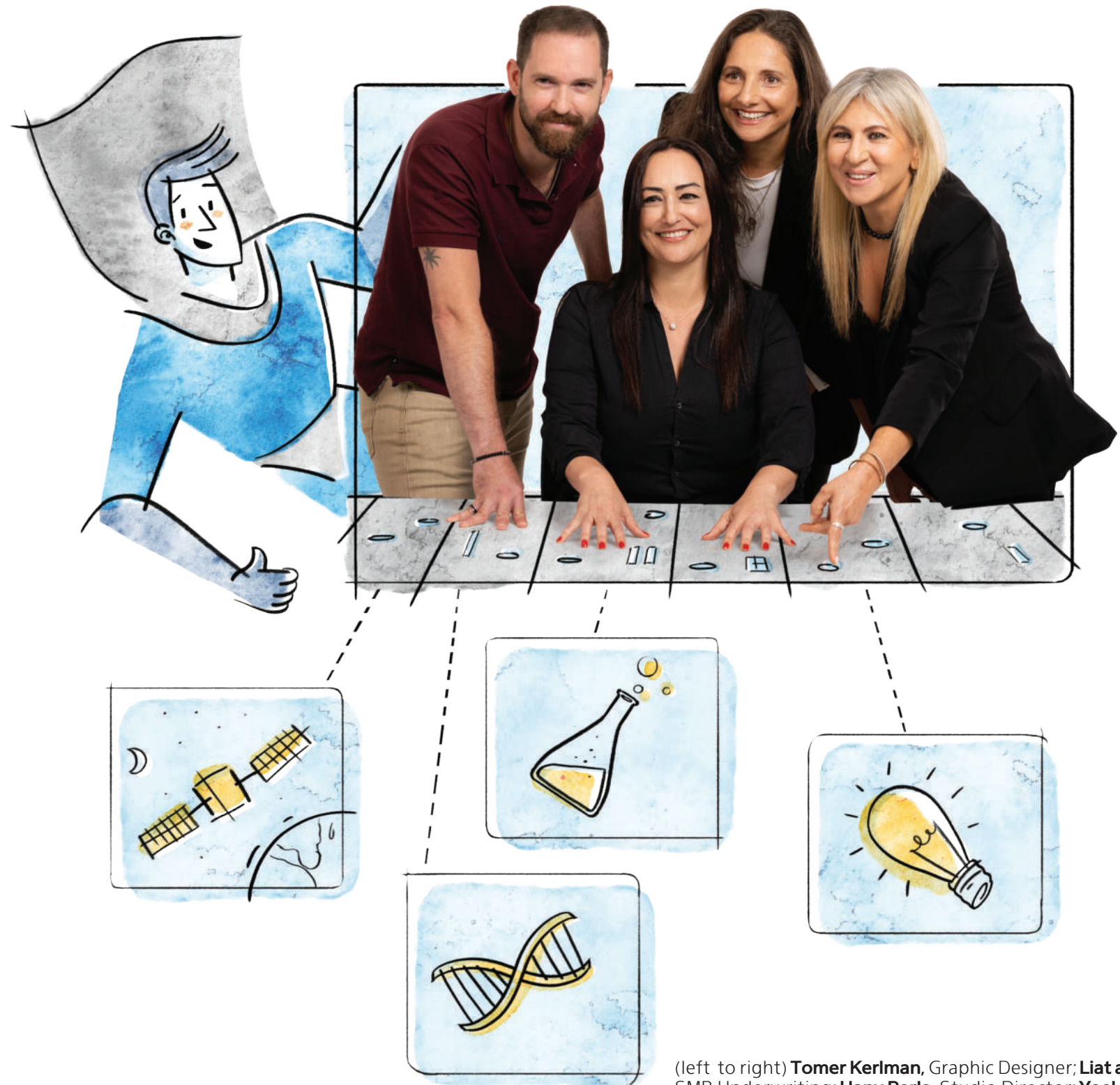
As part of our strategic commitment to advancing technological innovation, we established GUTS, Harel's innovation hub for the promotion and acceleration of Israeli startups. The initiative aims to foster collaboration with startups operating in the fields of insurtech, fintech, artificial intelligence, digital technology, data, and more.

GUTS serves as an advanced business and technological platform, operating in partnership with organizations such as AWS, the 8200 Alumni Association, FinTLV, and global insurance leaders Zurich Insurance and Tokio Marine. These collaborations create opportunities for Israeli startups to expand into international markets.

Entrepreneurs participating in GUTS are invited to work from the innovation hub's dedicated workspaces and enjoy access to Harel's new in-house podcast studio.

During the reporting period, the GUTS innovation team met with more than 350 Israeli and international startups, many of which are now in POC or Partner Design stages with various Harel business divisions.

The GUTS initiative received the "Innovation of the Year" award at Adif's 2023 Best Companies ceremony. The selection committee noted that "the initiative delivers significant value to both consumers and the industry. Harel's customers and agents will benefit from new products, enhanced customer experience, and, in the future, more prompt and efficient service. The entire financial sector stands to gain from the technological solutions these collaborations drive across the insurance and finance industries".



(left to right) **Tomer Kerlman**, Graphic Designer; **Liat arkus**, SMB Underwriting; **Hany Perla**, Studio Director; **Yael attia**, Personal Lines Underwriter, Health and Life Insurance

Responsible Investments

As one of the country's largest insurance and finance groups, Harel applies a responsible investment policy, integrating environmental, social, and governance (ESG) considerations into our investment decisions.

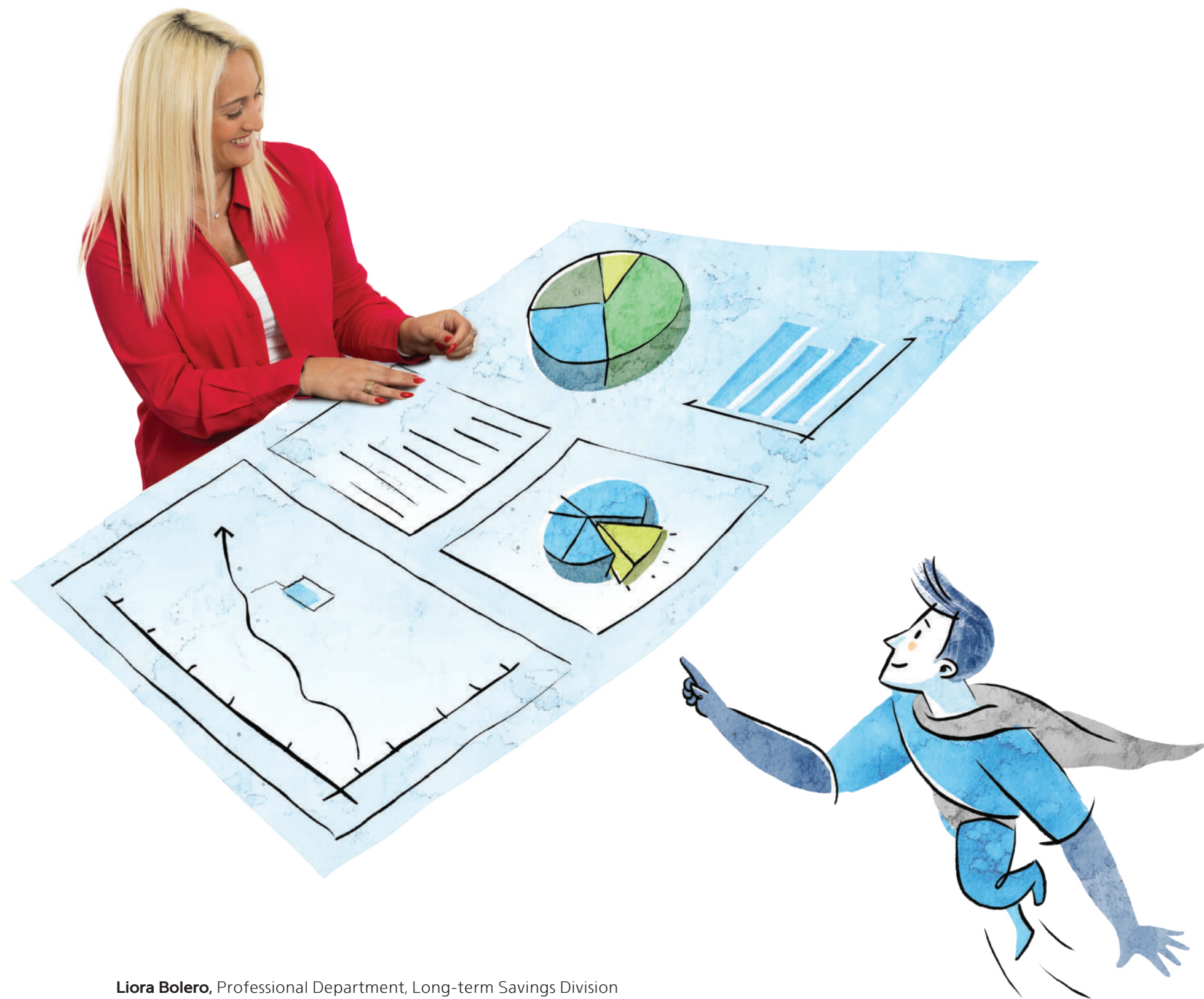


Our Investments

Our extensive investment activities are conducted through Harel Insurance's Investment Division, which manages the investments of the Group's insurance companies, pension funds, and provident funds, as well as through Harel Finance, the Group's investment house.

Our Investment Division

The Investment Division oversees all investment activities related to insurance and long-term savings, in addition to managing Harel Group's nostro funds.



Liora Bolero, Professional Department, Long-term Savings Division

Alternative Investments

Alternative investments offer an effective complement to traditional asset classes such as equities, bonds, and cash.

These include real estate funds, credit, biotechnology and pharmaceutical companies, private equity, and more. Such investments serve to hedge and diversify our investment portfolio and provide an alternative to industries that are linked with the capital market, while potentially providing stable and consistent returns.

Our Investment Division has been active in the alternative investment arena for over 20 years and continues to expand its portfolio of non-tradable assets in Israel and worldwide.

In addition, we invest in startups across a range of fields, including:

1. **B2B Enterprise** – Cybersecurity, DevOps, technological infrastructure, AI, and mobile applications.
2. **Fintech** – Financial innovation in banking, insurance, payments, and related services.
3. **Health** – Biotechnology, medical devices, and digital healthcare solutions such as decision-support tools for physicians and appointment optimization systems.

Responsible Investments

Recognizing the growing importance of responsible investments in Israel and the world, we have incorporated ESG factors into our investment management policy.

As such, we have set a materiality threshold for identifying investments considered to carry high ESG risk, both domestically and abroad. Such investments undergo additional scrutiny prior to approval.

To ensure informed and effective decision-making, we have partnered with Greeneye and Moody's, which provide comprehensive ESG data on Israeli and international companies. In addition, we have identified several key ESG issues that guide our decision-making, following an internal risk assessment process. (Further details appear in [Harel's Responsible Investment Policy](#)).

Investments with Social Impact

Our investments are designed to drive sustainable economic growth and generate meaningful social impact nationwide.

The Intelligence Campus Project

Harel is a lead financier, together with Discount Bank, in the development of the IDF Intelligence Campus in the Negev - a major national project that relocates military intelligence units from central Israel to the south. The initiative, led by the Shikun & Binui Construction Group, is part of the government's plan to strengthen the periphery and promote new economic growth engines in the region.

This investment represents a strategic step aligned with Harel's commitment to responsible and sustainable investment. It supports national initiatives that combine innovation, security, and advanced infrastructure while serving as a catalyst for regional economic development, job creation, and the migration of young, skilled populations to the southern regions of the country.

Environmental Impact Investments

We reinforce our environmental commitment by investing in companies and projects that promote clean energy, sustainable transportation and water infrastructure, supporting the national environmental efforts.

Among our key investments:

Green Energy Investments

Harel invests in renewable energy companies in Israel and abroad through project financing. In 2023, we financed seven large-scale solar energy projects with a scope of approximately NIS 1 billion, owned by EDF Renewables Israel, a subsidiary of EDF Renouvelables, the French national electricity company and a global leader in renewable energy.

These projects, among the largest of their kind in Israel, collectively generate 189 MW of power. They were developed, self-financed, and constructed by EDF Renewables Israel.

As part of a recent collaboration, Harel also co-financed the Ashelim PV 2 power plant project (40 MW), awarded to EDF Renewables Israel through a tender by the Israeli Accountant General.

In early 2025, Harel, together with Amitim Senior Pension Funds, acquired a 44% stake in a partnership with Enlight Energy, which holds a portfolio of solar energy and energy storage infrastructure projects totaling 69 MW of solar capacity and 448 MWh of storage.



"Harel continues to invest in sustainable infrastructure projects, particularly in renewable energy - initiatives that contribute to environmental preservation while ensuring stable, long-term returns for our customers. Beyond solar power, our investments also include wind energy, pumped storage hydropower, water treatment, and wastewater purification. We are proud to partner with leading companies such as EDF Renewables and Enlight as part of our diverse, impact-driven investment strategy".

Itzik Tawil,
Head of Credit and Global Real Estate
Department, Investments Division

Acre Land Remediation Project

In 2022, Harel Group, together with real estate and construction company Tidhar, acquired the "Electrochemical Industries" complex in Acre. The 0.43km² complex adjacent to the Gulf of Acre in northern Israel, was once home to the Frutarom PVC plant that used substantial amounts of mercury and other organic materials, rendering its operational area one of the most polluted grounds in the country. In addition, industrial wastewater contaminated about two million cubic meters of groundwater, leaking into the sea and harming the coastal ecosystem.

Following an agreement with the Israel Land Authority, a comprehensive remediation plan was approved to rehabilitate this long-deserted wasteland for future residential, commercial, logistic and recreational use. The plan, developed in collaboration with leading local and international experts, includes advanced soil treatment technologies, a dedicated groundwater purification system, an underwater barrier to prevent further sea contamination, and acoustic barriers between the complex and the factories in its periphery. The restoration work began in late 2022 and is expected to be completed in 2025.

Investments Embodying the Israeli Spirit

Strengthening our Partnership with the Tidhar Group

In July 2024, Harel Insurance and Finance Group reinforced its partnership with the Tidhar Group in a transaction reflecting a valuation of over NIS 4.2 billion for Tidhar. As part of the agreement, Harel acquired an additional 5% stake in Tidhar for approximately NIS 235 million, following its August 2023 acquisition of approximately 10%.

Yozma Fund 2.0

In 2024, Harel was selected as one of 18 institutional investors to participate in the Yozma Fund 2.0 initiative, launched by the Israel Innovation Authority and the Ministry of Finance. The initiative aims to encourage investment in the Israeli high-tech sector, whereby institutional investors will provide approximately USD 155 million in funding to local venture capital funds, addressing the investment gap created by the economic slowdown and geopolitical conditions in Israel.

The initiative aims to strengthen collaboration between institutional investors and venture capital funds, bolster the resilience of the local market, and provide unique incentive mechanisms to enhance investment returns. The state will participate in profits or losses proportionally to its contribution, while institutional investors retain full decision-making autonomy.



"Our increased investment in the Tidhar Group underscores our confidence in the company's professional management, the quality of its projects, and its potential to generate sustained value for Harel's financial investment portfolio.

We believe that this reinforced partnership will enable participation in leading real estate ventures. Investing in a prominent Israeli company at this juncture further reflects Harel's strong confidence in Israel's economic stability and resilience".

Ben Hamburger,
Vice Chairman, Harel Insurance & Finance Group



Limor Efraim, IT Team Leader, Harel Hamishmar Computers

In recent years, we have focused on strategic product innovation, delivering a comprehensive and transparent range of investment solutions across varying maturities and risk profiles, tailored to address the distinct objectives of every investor.

Harel Finance

Harel Finance is a leading investment house serving as the financial arm of the Harel Group.

In recent years, we have focused on strategic product innovation, delivering a comprehensive and transparent range of investment solutions across varying maturities and risk profiles, tailored to address the distinct objectives of every investor.

The management team at Harel Finance operates as a cohesive unit, dedicated to continuously enhancing our investment platform, guided by the principles of excellence and innovation.

Harel Finance Activities

Operations within Harel Finance are primarily conducted through the following companies:

Harel Mutual Funds	A company licensed to manage open-ended mutual funds and exchange-traded funds (ETFs)
Harel Investment Management	A licensed investment management company providing professional investment portfolio management services
Harel Finance Alternatives	A general partner in limited partnerships structured as private investment funds registered outside Israel
Harel Strategies	A company active in proprietary (nostro) investment transactions
Harel Index Trade	A statutory market maker for ETFs managed by Harel Mutual Funds
Harel Exchange Traded Deposit	A reporting corporation issuing marketable certificates of deposit (CDs)
Harel Operating Services	A company providing management and operational support across the financial arm of the Group and offering FX advisory services to qualified customers

Promoting Responsible Investments Among our Customers

We are committed to making global investment standards accessible to the general public, reflecting a philosophy of a “double bottom line”: financial return alongside a positive socio-environmental impact.

In portfolio management, we offer our institutional and corporate clients the option to manage their investments wholly or partially according to ESG criteria.

Harel Finance has implemented an ESG policy ensuring that any analysis conducted by our research team integrates ESG considerations, enabling fund managers and portfolio managers to incorporate these factors into their investment decisions.

Mutual Funds

Harel Finance offers three mutual funds under the “Alpha Tech” series, focused on ESG principles and leveraging advanced quantitative investment models:

- **Alpha Tech Israel ESG Equity** - invests at least 75% of its assets in Israeli companies that meet ESG criteria, avoiding companies that do not align with these standards.
- **Alpha Tech Europe ESG** - focuses on European companies with high ESG ratings.
- **Alpha Tech Global ESG Equity** - invests in international companies that comply with ESG standards.

Investing with Harel - Building Israel Together

At the beginning of 2024, Harel Alternative Investments launched a new credit fund named "Magen Israel", designed, alongside Harel Insurance, to finance domestic real estate development projects through a closed-financing model. Harel Alternative investors can now, for the first time, enjoy the advantages of real estate credit investments within Israel, and not solely in global markets.

Key investment advantages:

- The Israeli economy requires substantial real estate investments given the impact of war on the home front.
- Housing supply remains limited and has been further constrained by the slowdown in construction activity during the conflict.
- Population growth and demographic trends support continued demand, alongside an anticipated rise in demand fueled by increasing antisemitism worldwide.
- A projected decline in interest rates, expected to strengthen the sector by lowering financing costs for developers and easing mortgage accessibility for homebuyers.

Future Targets

- Continue to evaluate private market investment opportunities in Israel, particularly in renewable energy and areas generating social impact.
- Further diversify investment portfolios while accounting for regulatory, environmental, technological, and social trends.
- Consistently integrate ESG considerations into the investment decision-making process.



Ortal Yirmiyahu, Personal Lines Underwriter, Hamishmar District

Harel's employees embody the Israeli spirit, reflecting dedication, innovation, and solidarity. We are committed to nurturing a diverse, inclusive, and equitable work environment that empowers every individual to realize their personal and professional potential.

Guided by the resilience and strong sense of community inherent to the Israeli spirit, Harel places its employees at the core of our organizational strategy, acknowledging their pivotal contribution to the Group's continued success.

Harel Employees: The Heart of the Israeli Spirit



Our People

Our employees come from all backgrounds and segments of Israeli society, united by a shared commitment to professional excellence and thoughtful service that drives our organization forward.

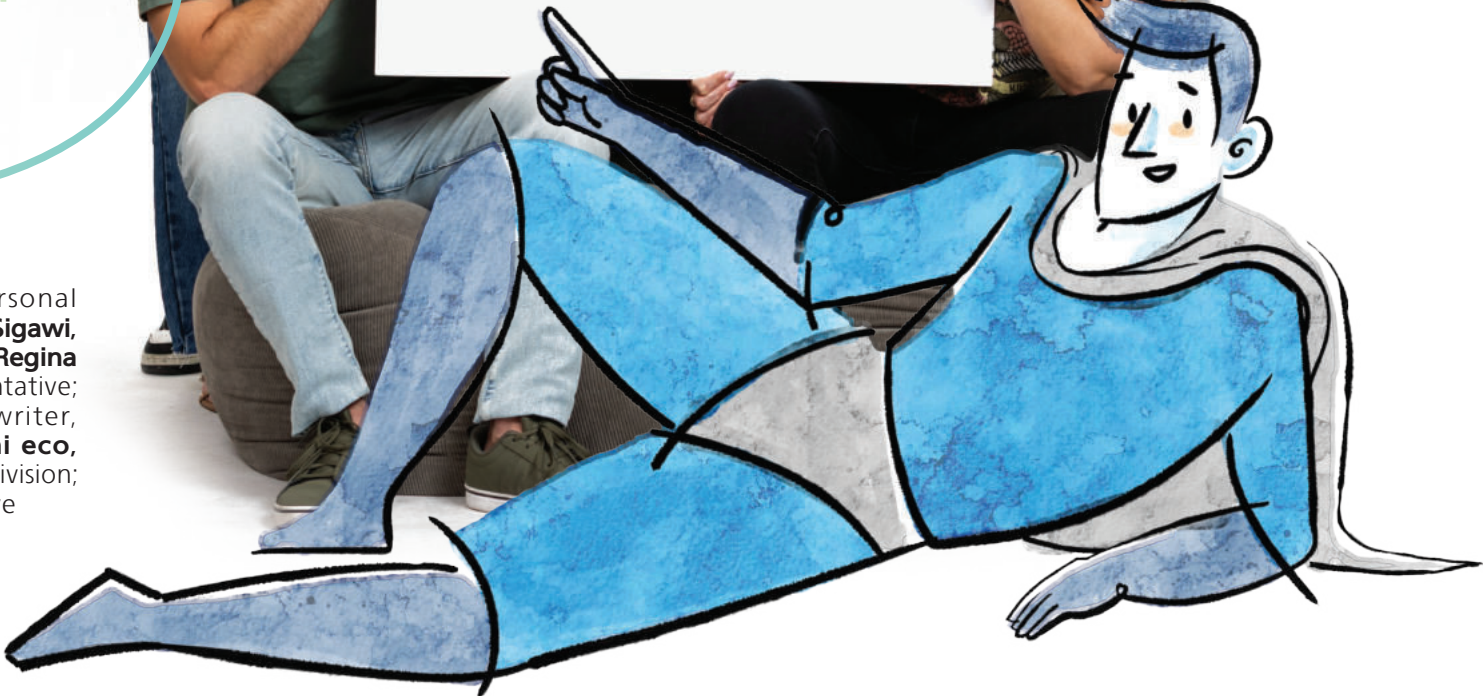
Guided by a strong belief in the value of human capital, we invest in the personal and professional development of every employee, offering diverse career advancement opportunities, comprehensive training programs, and robust employee wellness initiatives, all within a supportive, inclusive, and family-like workplace culture.

We believe that a great workplace is one that people look forward to each day: safe, diverse, empowering, and growing alongside its employees.

In 2023 and 2024, Harel employed 4,966 and 4,637* employees, respectively, representing a wide range of ages, sectors, and regions across Israel.



(back row left to right): **Riki oved**, Personal Lines Underwriter, Mishmar District; **Noy Sigawi**, Purchasing Supervisor, General Insurance; **Regina Cohen Gadyev**, Ambulatory Claims Representative; **Ortal Yirmiyahu**, Personal Lines Underwriter, Hamishmar District; (front row): **Tachi eco**, Technology Leader, Engineering and Sales Division; **Pnina Eliezer**, Underwriting Representative



*Excluding employees in Greece and Turkey

Diversity, Inclusion, and Equal Opportunities

Equality, a sense of security, and inclusion are among Harel's core values, guiding our workplace and business interactions every day.

Together We Succeed: Our Employee Communities

In recent years, Harel has cultivated cross-organizational employee communities that strengthen professional and personal connections, promote a culture of learning, collaboration, and impact, and empower employees to actively shape organizational culture, share knowledge, and enhance their sense of belonging.

Champions Community

Founded in 2020, the Champions Community has continuously evolved to meet emerging organizational needs. Initially serving as a platform for content creation on social media, it has grown into an interorganizational ambassador network driving positive impact both within and outside the organization.

Community members act as organizational sensors, reflecting trends, ideas, and sentiments in real time, and facilitating meaningful dialogue that reinforces engagement and connection at Harel.

Learning Leaders Community

This peer-driven community promotes knowledge sharing, encourages learning, and showcases professional successes throughout Harel. It connects employees across business units and supports the alignment of training initiatives with genuine organizational needs, forming a foundation for both personal and organizational growth.

Comprising approximately 25 members from the Life & Health Divisions, Long-Term Savings, General, Direct Marketing and JV Division, and the Central Services unit, members focus on learning, training, and knowledge management, either as part of their role or driven by personal interest. The community fosters a culture of continuous learning, innovation, and collaboration.

Parents' Community (Baby STEPS)

In January 2024, Harel launched Baby STEPS, a support program for employees entering parenthood, as part of our commitment to the employee experience, strengthening engagement, and creating a parents' community within the organization.

The program supports employees through three stages: pregnancy, parental leave, and the return to work. It includes a dedicated website on the organizational portal, a smart, personalized interface, an active WhatsApp group, special conferences, and targeted workshops.

The initiative emphasizes collaboration between employees and managers, maintaining personal connection during parental leave, and offering emotional or professional support as needed. As of April 2024, approximately 220 employees participated at various stages of their parenthood journey.

Data Guild

The Data Guild is a professional community of Harel analysts who regularly convene for enrichment sessions, collaborative learning, brainstorming, and hackathons.

Members gain insights into emerging trends, share best practices, and drive innovative approaches to data challenges across the organization.

The Guild strengthens cross-unit collaboration, enhances professional development, and serves as a catalyst for elevating the organizational data domain.

Gender Diversity: A Reality at Harel

over
70%

Women account for over 70% of all our employees and we believe in their ability to lead and inspire

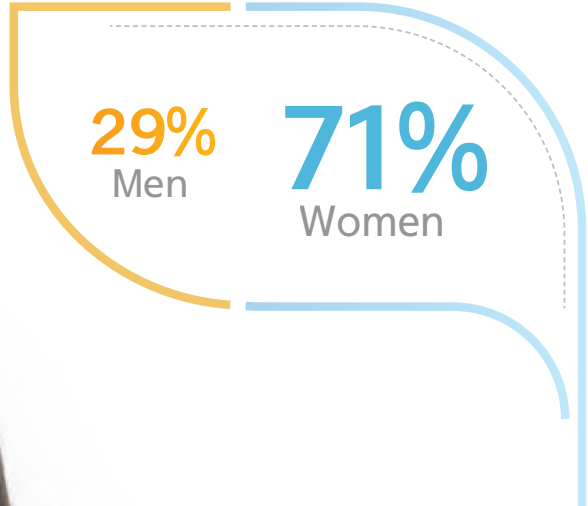


Recognizing that a numerical representation is not enough, we emphasize the importance of integrating women in key roles and at executive levels.

(left) **Tali Lev**, Project Manager, Engineering and Sales Division;
Hadar Mor, Project Manager, Engineering and Sales Division



Employees by gender 2023–2024



Gender Wage Gaps

In accordance with section 6b(4) of the Equal Pay for Men and Women Workers Law, (5756) 1996, we have published, since 2022, an annual report presenting the Company's findings on gender wage gaps, categorized by employee groups. The 2023 report, which aims primarily to identify and highlight any potential structural gender bias within Harel, indicates that while some groups show a wage gap in favor of men and others in favor of women, the largest gap identified was 6.4% in favor of men and 9.1% in favor of women. These differences primarily stem from objective factors such as overall

performance, productivity, quality of work, target achievement, innovation, and team contribution.

The full report is available [on the Company's website](#).

Woman 2 Woman

In 2024, Harel launched the Woman2Woman mentoring program, a unique initiative developed in collaboration with the 8200 Alumni Association.

As part of this six-month program, senior female executives at Harel serve as mentors to team leaders aspiring to advance and grow within the Company. The initiative provides a valuable opportunity for open, authentic dialogue about leadership challenges, career milestones, and personal inspiration from trailblazing leading women.

The program's launch event was held at Harel's GUTS Innovation Hub in the presence of the company's CEO, Nir Cohen.

In early 2025, the program's closing event included surveys of mentors, mentees, and their direct managers. Results indicated 100% participant satisfaction, underscoring the program's positive impact on motivation, self-confidence, and the enhancement of leadership and personal development skills.

Harel actively promotes the employment and integration of individuals from diverse backgrounds, working in collaboration with a range of nonprofit organizations specializing in inclusion and accessibility.

A Place for Everyone: Inclusion of Diverse Populations

Through outsourcing partnerships, we employ staff from various populations across multiple service centers:

- Call Yachol - employing people with disabilities
- Bereshit Center - employing workers from the ultra-Orthodox community
- Babcom Center in Migdal HaEmek - employing individuals from diverse social, cultural, and geographic backgrounds

In 2023 and 2024, Harel undertook a variety of initiatives to strengthen our commitment to inclusion:

In 2023, we produced a video featuring employees representing different communities within the Company: ultra-Orthodox, hearing-impaired, LGBTQ+, and the Arab sector. The video showcased the message “Connections,” emphasizing that at Harel, there is room for everyone.

In addition, we promoted two roundtable discussions on diversity and inclusion and published related articles on our internal “Touch” platform.

In 2024, we continued these efforts with a new video titled “My Hope Is...”, in which employees shared their personal aspirations.

Further initiatives included an article in the Company’s portal highlighting Harel’s Accessibility Department, another roundtable discussion, and a special lecture for managers led by Dr. Gil Winch, CEO of Call Yachol, on integrating people with disabilities in the workplace.

Call Yachol

One of Harel’s most significant accessibility partnerships is with Call Yachol (CY), a social enterprise that operates service centers staffed by people with disabilities.

For several years, the dedicated CY team has provided professional customer service to Harel’s customers, demonstrating the many benefits of inclusion in the workplace.

In 2024, Harel’s accessibility coordinators visited CY’s call centers to learn about the company’s background and listen to employees share their personal experiences.

“During these turbulent times, when we as a nation learn the value of unity and acceptance for every individual and opinion, I take great pride in Call Yachol for upholding its values of respect and inclusivity, embracing every individual as they are.”



I am equally proud that Harel Insurance Group, which champions both business excellence and workforce diversity, is a leading partner in this mission.

It is deeply rewarding to operate call centers for Harel staffed by dedicated and talented employees with disabilities, and even more so when these teams consistently exceed expectations, proving that everyone is truly able”.

Pnina Anshel,
Deputy CEO, Call Yachol

It's Great to Have You Here - Employee Recruitment and Retention

Harel recruits candidates who meet the conditions and requirements defined for each position, without bias or discrimination based on nationality, religion, ethnicity, gender, sexual orientation, age or any other non-material characteristic.

As part of our commitment to promoting diversity and inclusion, we collaborate with a wide range of nonprofit organizations and programs dedicated to integrating diverse populations into the workforce - including organizations supporting the employment of people with disabilities, veterans, members of the ultra-Orthodox community, and other groups traditionally underrepresented in the labor market.

Employee Onboarding

New hires are welcomed with an orientation day introducing them to Harel's areas of operation, organizational structure, workplace procedures, and core values - as well as a few surprises to make their first day special. In addition, a variety of e-learning modules are available on the Company portal, allowing for independent study of key topics.

In 2022, we launched a digital onboarding program for new hires, designed to support their smooth integration and professional development throughout their first year at Harel.

Promotion from Within

We believe in our people, view them as invaluable human resources, and actively invest in their empowerment and professional advancement. Managerial positions are first opened to internal candidates, giving employees with at least two years' experience at Harel priority access to leadership opportunities.



Employee Retention

Our low turnover rate and the long tenure of many employees reflect a strong sense of belonging and high satisfaction across the organization. Employee retention is best achieved through fair treatment, a pleasant work environment, comprehensive employee wellness programs, and continuous development opportunities.

While turnover tends to be higher in our call centers - a typical industry trend - we have taken definitive steps to address it. In 2023, we began developing a dedicated career path for call service representatives, designed to strengthen their sense of belonging and provide meaningful professional growth opportunities.

(left) **Adva last**, Head of Advisor Relations, Bank Marketing Division;
Omri schor, VP of Marketing and Sales, Harel Mutual Funds





Growing Together: Employee and Leadership Development

At Harel, we conduct our business with a commitment to creating positive impact, recognizing that the personal and professional development of our employees is key to this goal. We strive to provide a supportive environment and a true sense of partnership throughout their career journey. We take pride in seeing our talented people advance and assume key leadership roles across the organization.

At every stage of their careers, our employees are equipped with tools and skills tailored to the evolving market, thus instilling Lifelong Learning as an inseparable part of our organizational culture. This approach not only keeps our people current but also attracts new talent seeking a dynamic, professional, and stable environment in which to thrive.

Our Learning and Development Framework

All companies within the Harel Group benefit from a comprehensive training framework that combines cross-organizational programs with personalized learning solutions tailored to the needs of each business unit.

The annual training program, derived from management business targets and work plans, includes a wide range of learning activities focused on employee development. The program covers areas such as introduction to new products, regulatory compliance, process orientation, core systems training, professional skills workshops, and leadership development.

In addition, we provide enrichment and personal development courses on an organization-wide basis, fostering a culture of continuous learning.

Harel Campus: Learning, Advancing, Growing

Our organizational learning platform, Harel Campus, enables every employee to expand their knowledge, develop new skills, and advance both personally and professionally throughout their career.

The platform offers a comprehensive range of on-site and digital courses, led by both internal and external instructors, and is accessible to all employees, reflecting our commitment to a culture of continuous learning, professional development, and organizational growth. Learning is supported by advanced technological tools and is fully tailored to each employee's individual pace, location, and needs.

In 2024, the Harel Campus model received professional recognition at the annual Excellence in Learning and HR Development Conference.

LEADUP - Leadership with a Human Touch

In 2024, Harel launched the LEADUP management development framework, designed based on insights from organizational surveys and leadership assessments. The framework aims to advance managerial excellence that supports the Company's resilience in an evolving business environment.

The programs are tailored to different leadership levels and needs. In 2024, the focus was placed on VPs and department heads, while in 2025 the emphasis will shift to team leaders. Our principal objective is to empower Harel's leadership teams by enhancing managerial skills and providing practical tools to address business and leadership challenges, with targeted attention to a manager's or unit's specific strengths and development needs.

Key programs include:

Capsule Program: An advanced development track for team leaders with one year of experience, aligned with personalized growth targets defined in their performance reviews.

UPclub: A biannual leadership forum for department heads and higher, engaging over 420 managers in open dialogue, knowledge sharing, and reinforcement of organizational values.

When Leaders Share Their Professional Setbacks

We believe that learning from mistakes is a vital element of our organizational culture and a core component of leadership development. In 2024, the UPclub forum held a dedicated event that explored how professional setbacks can strengthen collective success.

The session focused on authenticity, transparency, and shared learning, underscoring the idea that failure is an inherent part of innovation and progress.

Key insights from the event included:

- The value of cultivating an organizational culture that encourages learning from failure.
- Recognition that effort and initiative are as vital as the final outcome.
- Understanding that mistakes occur at all levels of leadership, highlighted by three managers who shared personal setback stories.
- Encouragement of creativity, innovation, and out-of-the-box thinking through reflection and lessons learned.

The event concluded with a talk by comedian and actor Avi Ettinger titled "How to Fail in Entrepreneurship", presented in collaboration with the "Fuckup Nights" global movement, which promotes the concept of failure as an important catalyst for growth and learning.

This initiative demonstrates Harel's commitment to developing leadership that drives innovation, transparency, and continuous learning, in alignment with our organizational vision.

Strengthening Organizational Resilience Through Training Programs

During the Iron Swords War, we focused on strengthening organizational resilience by implementing comprehensive training programs for employees and managers. On the second day of the war, we held a company-wide session with Dr. Iris Reitzes that provided guidance and practical tools for coping with the rapidly changing reality. Additional workshops and lectures were offered throughout the period on topics such as mindfulness, nutrition during stress, coping with fake news, relationships during crisis, family finance, and more.

Employees' children were offered dedicated activities, including science-themed shows, art workshops, ninja-style physical activities, and age-appropriate content. Our managers participated in "Managing in Any Situation," a program designed to equip leaders with tools for emergency management, enhance their ability to support their teams, and strengthen their sense of stability and belonging. Approximately 600 managers from all levels took part and reported high satisfaction and an increased sense of confidence in leading their teams during this challenging time.

New Objective: Annual Forum for Team Leaders

We plan to establish an annual managerial forum dedicated to team leaders as part of our ongoing commitment to supporting this operationally significant group. The forum will promote dialogue with senior management, reinforce a sense of belonging and recognition, strengthen collaboration across units, and provide insights to organizational strategy along with leadership inspiration on a variety of topics.

Communication Channels

Open Door Policy: Ongoing Dialogue with Employees

Communication between employees and managers is built on transparency, mutual respect, and continuous dialogue. Over the years we have learned that an open and family-oriented organizational culture strengthens employees' sense of belonging, identification, and commitment. Harel management operates with an "open door" policy and encourages every employee to share, raise ideas, and suggest improvements.

We maintain this dialogue through multiple channels, including dedicated questionnaires, open discussion with managers at all levels, satisfaction surveys, focus groups, round tables, and the organizational portal, which serves as a platform for ongoing, open, and engaged communication.

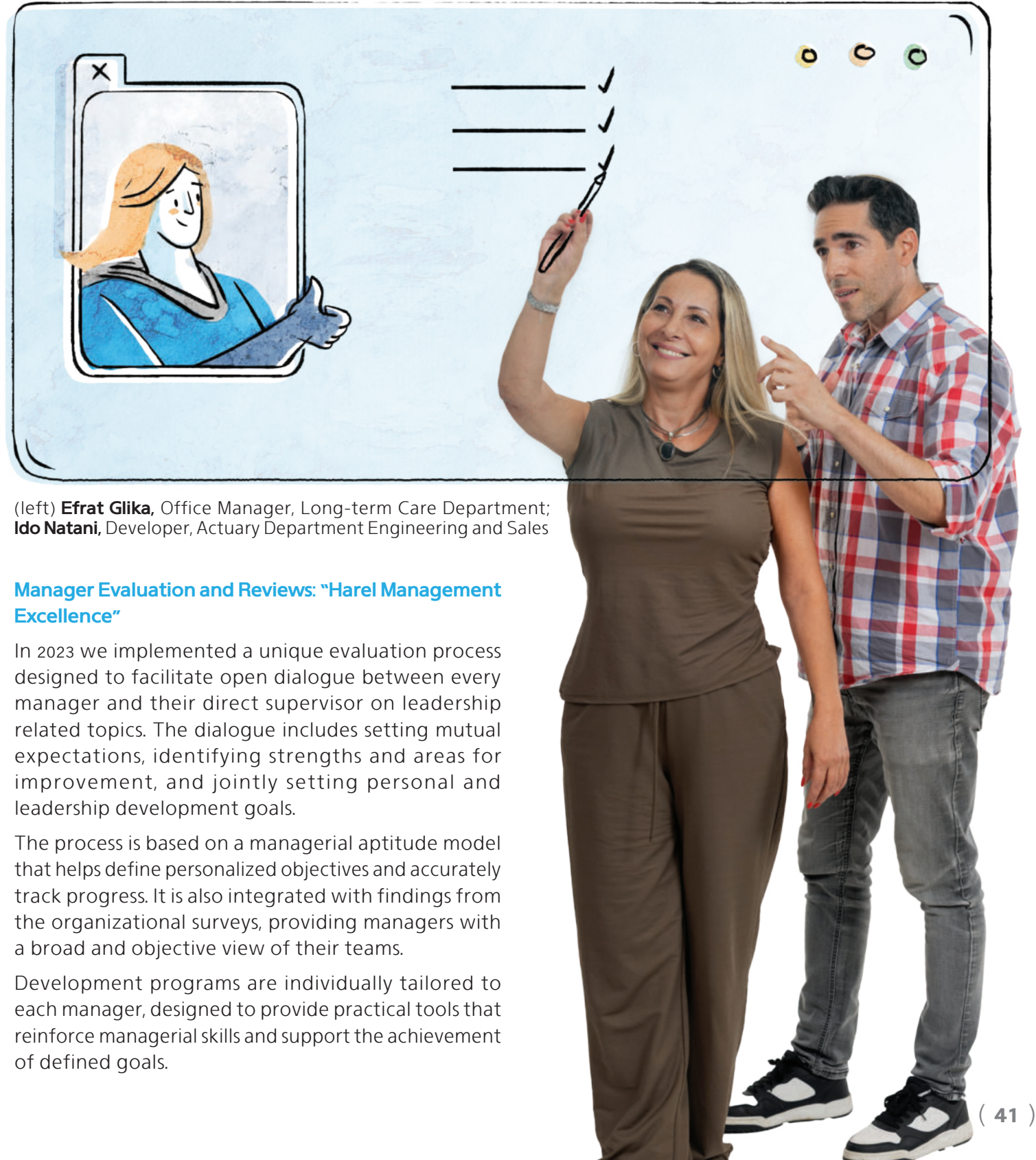
Employee Engagement Surveys

We conduct annual surveys to measure employee engagement and workplace perception. In 2023 we carried out a comprehensive survey that included 30 questions and was distributed to all employees and managers. The survey reviewed employee sense of organizational belonging, perceptions regarding interactions with management, teamwork, and opportunities for personal development.

The survey achieved an exceptionally high participation rate of 87%, with results significantly above the market average and the benchmarks of other financial institutions. In 2024 we conducted an abridged version of the survey, with a response rate that reached above 90%. Once again, the results were remarkably high compared with industry benchmarks.

Employee and Manager Performance Reviews and Evaluation

Performance reviews are a significant element in the development, empowerment, and retention of our employees. Once a year, a structured dialogue takes place between managers and their teams in the form of a personal performance review and evaluation. The feedback is reciprocal, ensuring that managers listen, learn, and apply insights as part of continuous improvement in work processes.



(left) **Efrat Glika**, Office Manager, Long-term Care Department; **Ido Natani**, Developer, Actuary Department Engineering and Sales

Manager Evaluation and Reviews: "Harel Management Excellence"

In 2023 we implemented a unique evaluation process designed to facilitate open dialogue between every manager and their direct supervisor on leadership related topics. The dialogue includes setting mutual expectations, identifying strengths and areas for improvement, and jointly setting personal and leadership development goals.

The process is based on a managerial aptitude model that helps define personalized objectives and accurately track progress. It is also integrated with findings from the organizational surveys, providing managers with a broad and objective view of their teams.

Development programs are individually tailored to each manager, designed to provide practical tools that reinforce managerial skills and support the achievement of defined goals.

Employee Experience

Even in Trying Times: Human Resources During Wartime

On October 7, 2023, Israel experienced a devastating attack that quickly revealed the depth of the national tragedy.

The following day, on October 8, the Human Resources Division at Harel responded to an internal "call to duty" driven by a clear sense of purpose: to stand with employees who were suddenly facing a new and challenging reality of fear, uncertainty, and complex personal and family circumstances.

Immediately at the onset of the war, our HR division operated with empathy and support, creating and implementing dedicated programs for all employees, including those on the home front, army reservists, and their families. The goal was to promote a sense of belonging and value and to preserve the spirit of togetherness during the most difficult moments.

This effort received national recognition. In September 2024, Harel won first place in the annual Excellence Competition of the Israel Human Resources Association in the category of "HR Performance During Wartime", ranking first among 33 participating organizations.



"Harel Group remains committed to advancing the wellbeing of our employees and their families. This commitment is an integral part of our organizational DNA, especially during challenging times for Israeli society. We are grateful for the recognition and will continue to do everything possible to provide employees with a sense of security and stability".

Ari Or,
Head of Human Resources Division,
Harel Insurance & Finance

Employee Wellbeing

The benefits and services we offer underscore our commitment to the wellbeing of our employees and their families. Our benefits package is reviewed and updated annually to ensure that the support provided remains responsive to the diverse needs of our workforce.

Key benefits include group health insurance coverage for employees and their families, contributions to a study fund, free pension and retirement planning, a company car and mobile phone during reserve duty or parental leave, gifts for holidays and personal milestones, recognition and rewards for long-serving employees, membership in a consumer club, and more.

Family-Friendly Activities

Thanks to the dedication of our Employee Experience team, 2024 was filled with memorable and enjoyable events for Harel employees and their families. Among the highlights are:

- Two large scale family events at Shefayim Water Park
- A family fun day at Superland Amusement Park
- A special event for our younger generation employees featuring live music performances by Ivri Lider and Tomer Meisner

More than 10,000 participants of all ages attended our summer activities, creating a sense of excitement and connection. It was inspiring to see our efforts make an impact as children smiled, young adults had fun, and parents felt proud of their workplace.

More than
10,000

participants of all
ages enjoyed our
summer activities

Maintaining Work–Life Balance

A healthy balance between family life and work is essential to prevent burnout, maintain a healthy lifestyle, and strengthen employees' sense of belonging and engagement with their workplace.

At Harel, we offer our employees a variety of benefits designed to support work-life balance, including:

- Flexible work hours
- Personalized work-from-home arrangements (based on approved criteria)
- Staggered parental leave
- Work based on a weekly, monthly, or annual hour plan
- Reduced-hour days for parents
- Options for special leave (paid or unpaid) during school holidays or exam periods
- Periodic reviews of employees accruing over 50 hours per week
- Active monitoring and encouragement to use vacation days



(left) **Topaz Meshulam**, Long-term Care Claims Adjuster; **Sagiv Zaitler Paz**, Health Claims Adjuster; **Esti Amiel**, QA Tester



Our work-life balance initiatives support employee wellbeing, promote mental and physical health, and strengthen overall engagement and fulfillment.

Support During Difficult Times: Psychological Guidance and Assistance

Harel employees and their immediate family members are entitled to confidential psychological support, provided free of charge by the professional team at "Eshhar". Employees are entitled to three company-funded sessions, with additional therapy sessions available in special cases as needed.

This service aims to provide professional support across a range of personal and emotional matters, while safeguarding participant confidentiality and treating each situation with care and sensitivity.

War-Life Balance

In addition to our regular wellbeing initiatives, during the Iron Swords War we implemented targeted measures to support employees called to active duty and their spouses. These efforts strengthened their sense of belonging and stability, facilitated a smooth reintegration to work, and upheld both personal and organizational resilience during this exceptionally challenging time.

Employee Support

Throughout the war, we reinforced employees' personal and organizational resilience through a continuous and personalized support framework. We established a dedicated phone and digital contact center for immediate assistance, maintained ongoing dialogue with employees supported by messages from executive management, and adapted work procedures to provide maximum flexibility, whether remotely or from the office.

Furthermore, we implemented a supportive salary policy for October 2023, reflecting a deep understanding of the sensitivities and complexities of the period.

Family Support

Employees' immediate family members also received comprehensive support during the war, through dedicated activities designed to ease family challenges and strengthen their sense of belonging. These activities included prize-winning trivia games, informal get-togethers, and home delivery of gifts, recognizing that employees' family members are an integral part of our community.

Leadership Support

During the war, Harel's executive leadership held a series of meetings with managers across all organizational levels to assess operational challenges and deliver practical, adaptive support. Among the tools offered:

- In-person sessions with senior management and the CEO
- "Managerial Check-Up" meetings with division heads and the HR Division
- Management Round Tables attended by approximately 600 managers, focusing on the challenges of leadership under stressful conditions

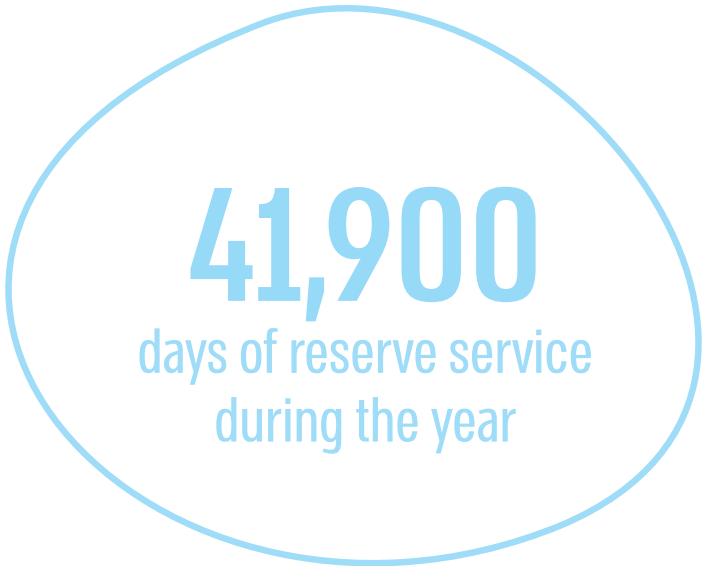
Additional sessions for VPs were held under the "Managing in Any Situation" initiative, alongside War-Life Balance discussions addressing leadership dilemmas relevant to the period. Digital management tools were distributed to serve as practical guides for leadership in extraordinary circumstances.

Support for Army Reservists

Approximately 6% of Harel employees served in reserve duty during the year, completing approximately 41,900 days of service. Harel provided comprehensive support to reservists and their families, recognizing the importance of personal assistance and the need to strengthen organizational resilience during this complex period.

Support measures included ongoing communication during service, delivery of care packages to units in the field, use of company vehicles, delivery of gift cards and gift bags at various stages of the service, as well as emotional and psychological support when needed.

Harel also identified employees whose spouses were called to extended military service and provided individualized support, including emotional assistance and gifts, in recognition of the challenges they are facing.



To facilitate a smooth and supportive return to work, a dedicated re-boarding program was established, including personal consultations, updated information, round-tables with psychologists, meetings with management and various kits and tools to help employees, managers, and teams to reintegrate effectively.

Community Resilience in Times of Crisis

Alongside individual support, we focused on strengthening our sense of community and fostering solidarity within the organization. We launched a mini-site called "The Israeli Spirit", showcasing the Company's and employees' social contributions and offering diverse volunteer opportunities.

Over the course of the year, we hosted a fair showcasing small businesses owned by reservists, both customers and employees. We also donated equipment to mobilized combat units and organized a baked goods campaign for employees with a spouse serving in the IDF.

These initiatives were intended not only to deliver personal support but also to reinforce employees' sense of belonging, collaboration, and mutual accountability - core values that guide our organization in times of routine and in crisis.

Recognizing Our Top Performers

In 2022, we introduced a quarterly and annual evaluation process designed to recognize outstanding employees, highlight exceptional achievements and reinforce Harel's culture of excellence.

Employees are selected by their divisions based on a defined set of criteria and in alignment with organizational policy.

Quarterly winners are awarded a weekend holiday in Israel, while annual winners enjoy a holiday overseas.

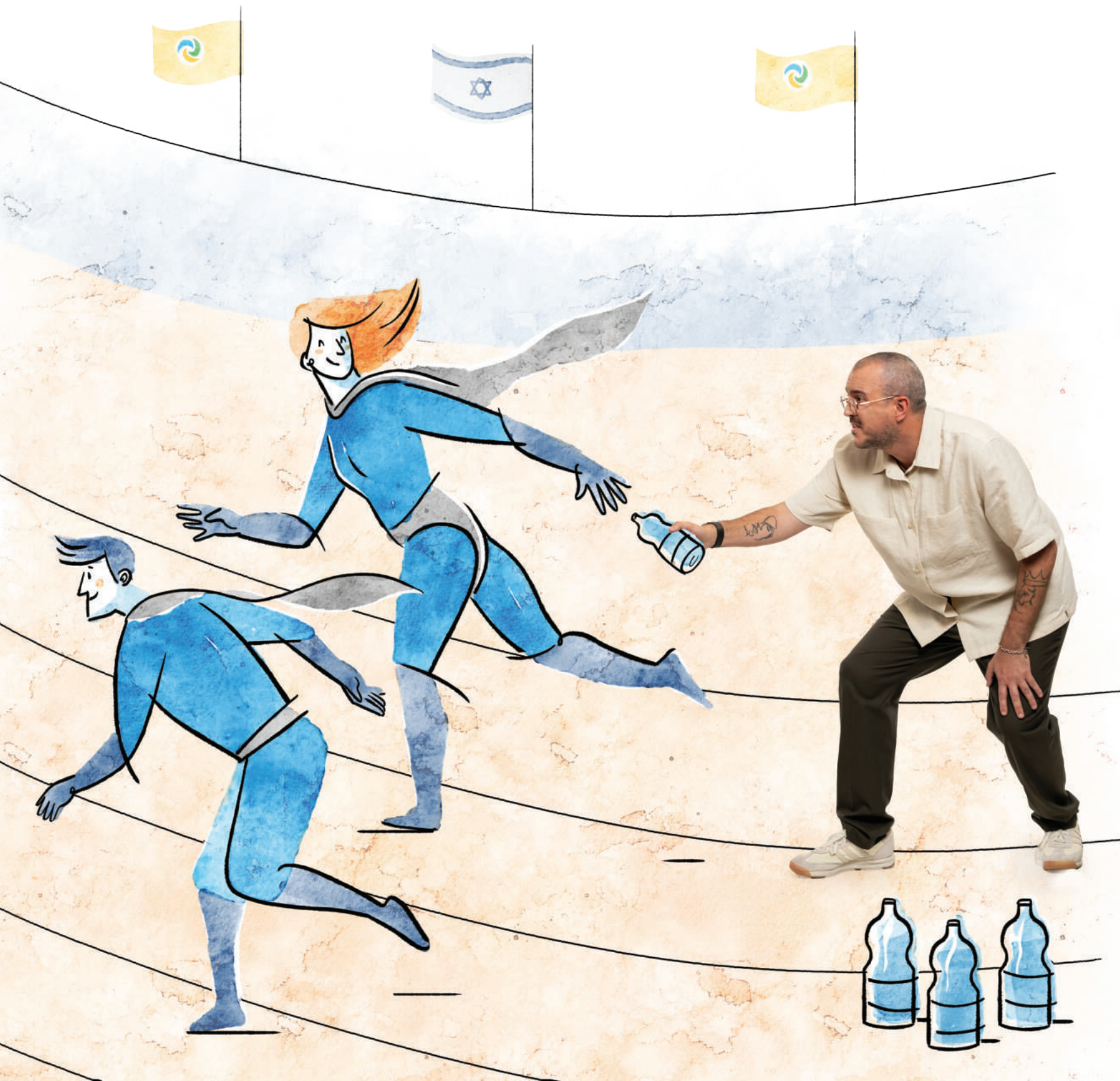
Future Targets:

Consumer Clubs and Shuttle Services

To further enhance the employee experience, we are advancing several initiatives:

- Expanding the variety of consumer clubs available to Harel employees
- Launching a pilot shuttle service to provide employee transportation, reducing commute time and fuel use





Work Environment

Employee Health and Safety

At Harel, employee health and safety are top priorities. We fully adhere to labor laws and ensure that all employee rights are protected through ongoing supervision, monitoring, and periodic inspections.

In addition, we invest in initiatives that promote a healthy lifestyle. These include medical screenings for our management, health-related workshops and lectures, subsidized preventative checkups, vaccination campaigns, smoking cessation support, and programs that encourage sports and good nutrition. We also offer tools to address emotional and psychological challenges.

We prioritize employee feedback and deliver tailored solutions, including ergonomic improvements that help ensure a safe and healthy workplace.

At Harel, employee health and safety are top priorities. We fully adhere to labor laws and ensure that all employee rights are protected through ongoing supervision, monitoring, and periodic inspections.

Ravid Farchi, VP, Harel 60+ Ltd.

We go to great lengths to minimize and prevent safety hazards at every one of our office locations.

We conduct regular safety inspections, employee training and immediate responses in case of emergency.

Maintaining Safety at All Times

We go to great lengths to minimize and prevent safety hazards at every one of our office locations. We conduct regular safety inspections, employee training and immediate responses in case of emergency. Harel's Safety and Security Department is responsible for managing any emergency, safety or security related.

Our security team includes:

- Safety Officer: Oversees all safety matters during routine operations and emergencies.
- Security and Safety Coordinator: Responsible for the security control room and additional operational functions.
- Certified Safety Supervisor: Leads safety training, safety reviews, periodic inspections, and contractor safety supervision.

The Safety and Security Department is entrusted with the routine maintenance of the Company's facilities, employee security, guidance and consultations, up-to-date emergency plans, emergency drills, and coordination with first responders.

In the event of a local emergency, the Department takes appropriate measures to mitigate risks and provides life-saving response when needed. In case of a national emergency, the Department is responsible for maintaining business continuity in the safest possible way, while complying with security forces guidelines.

As part of our commitment to ongoing improvement, we promote employee safety awareness - through digital training, drills, and additional initiatives - mitigating hazards, ensuring fire readiness, and improving the safety supervision of external contractors.

A Safe Workplace for Everyone

We address issues of sexual harassment or gender-based intimidation with the utmost severity and take immediate, professional, and impartial measures to ensure that this illegal and immoral behavior is dealt with, maintaining a safe and respectful work environment.

Accordingly, we update our relevant policies on an annual basis.

New employees receive training on this important topic as part of their onboarding program and are provided with a copy of our Sexual Harassment Prevention Policy.

In accordance with the law, our policy is posted in prominent places throughout our office locations and available on the Company's portal.

A designated officer, who has received specialized training, is available for any matter related to sexual harassment. She is qualified to provide sensitive, thorough, and confidential support. When a complaint is filed, a comprehensive review is conducted, with support from external legal experts if necessary. Recommendations are then submitted to the CEO for the appropriate decisions and actions.

An illustration on the left side of the page depicts a woman with dark hair, wearing a blue shirt and orange pants, sitting on a green park bench. A small brown dog is sitting on the ground next to her, looking up at her. A tall, thin street lamp stands to the left of the bench. The background is a soft, textured blue sky. The entire illustration is rendered in a simple, hand-drawn style.

Social Responsibility and Community Engagement: Together, in the Israeli Spirit

Harel's community engagement reflects the values of the Israeli spirit: mutual responsibility, solidarity, and compassion. The Company initiates and supports a broad range of community projects, collaborates with hundreds of non-profit organizations, and encourages employees to volunteer throughout the year.

We believe that strong communities are the foundation of a resilient society, and are committed to empowering communities across Israel, thereby creating meaningful impact and reinforcing the nation's social resilience.

Community Engagement from Within

Investing in the community and promoting social engagement are integral to Harel's DNA, organizational culture, and core values. We are committed to maintaining the highest level of contribution to the community, collaborating with a wide range of non-profit organizations across diverse sectors and strengthening employee involvement in social initiatives.

Creating Social Impact

Harel proactively seeks to create meaningful, substantial and long-term social partnerships that generate positive impact to the communities in which we operate. We encourage our employees' personal involvement in social contribution, maintain ongoing dialogue with our social partners, and provide support based on emerging needs. As part of these efforts, we established the "Triple Bottom Line Model" to maximize our social impact and foster a culture of active social engagement across the organization.

The Triple Bottom Line Model:



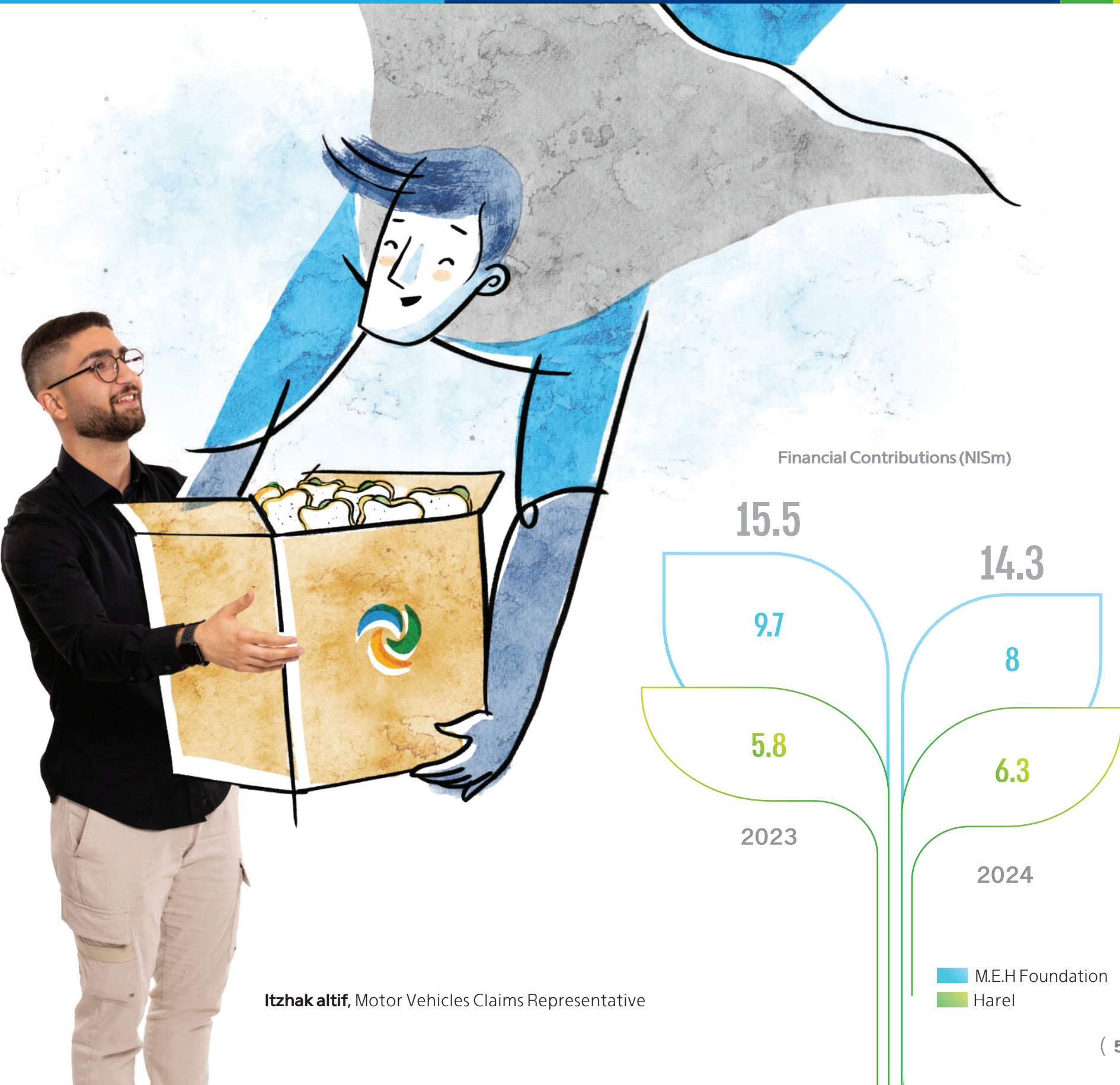
Contributions: From Our Heart to the Community

Harel Group views community contributions as a central element of our social responsibility with sustained investments across diverse areas that form the core of our social impact. Our donations focus on, among other areas:

- Health and life-saving services: Supporting healthcare systems and populations in need
- Culture and the arts: Investing in the cultural development of society and community
- Education and higher learning: Promoting equal opportunities and supporting the development of future generations
- Support for underprivileged populations and at-risk children: Advancing social equity and improving the quality of life

Over the years, we have donated to more than 700 non-profit organizations and associations across Israel, supporting them in their efforts to promote these matters.

In 2023, Israel experienced one of the most challenging events in its history. Harel Group responded immediately by increasing its donations significantly that year, amounting to approximately NIS 15.5 million, a substantial increase compared to previous years. In 2024, total financial contributions amounted to approximately NIS 14.3 million, including NIS 9.7 million in 2023 and NIS 8 million in 2024 donated through the M.E.H. Foundation, a public-benefit corporation, established in memory of Harel's founders, Margot and Ernst Hamburger.



United Hatzalah ("Israel Rescue")



Since 2011, Harel has maintained a strategic partnership with United Hatzalah, built on substantial financial donations alongside active employee involvement. Some Harel employees volunteer with the national United Hatzalah volunteer network, while others take part in the "Ten Kavod" (give respect) program, which focuses on supporting the health and wellbeing of elderly individuals and Holocaust survivors. This partnership reflects Harel's longstanding commitment to social engagement and community resilience.

Following the October 7 attacks, United Hatzalah operated on the front lines in Southern Israel and in the Gaza border communities, providing rescue and medical care under fire to injured civilians and soldiers. The organization rapidly shifted its operations to establish field emergency medical units, deliver lifesaving instructions remotely, and provide medical and psychological support to tens of thousands of affected individuals. It also reinforced its vehicle fleet and equipment, enhanced training programs, and maintained a continuous presence in impacted communities as part of its commitment to community recovery and national resilience.

Insurance with a Purpose: Collaboration with the "Afrikan" Organization

Harel Group sponsored insurance coverage to the "Afrikan" nonprofit delegation, which traveled in August 2023 to northern Tanzania to renovate a local school and build safe drinking water infrastructure. Harel-sponsored insurance policies included comprehensive international travel coverage, medical assistance, rescue and evacuation services, and professional support from the "Harel 669" team, a unit specializing in rescue missions in challenging terrain.

As part of this sponsorship, Harel provided the delegation with a full support package that included developing an operational mission plan, preparing emergency protocols and field mapping, and connecting the delegation with global medical centers and a 24/7 active emergency hotline.

Founded in 2021 by Israeli ex-military volunteers, "Afrikan" works to improve living conditions in Tanzanian villages through education and water infrastructure projects.

Harel's Superheroes

Launched in 2023, the Harel HEROES Project supports and champions exceptional Israelis who excel in fields such as sports, art, culture, and research. The project aims to promote excellence by showcasing inspiring personal stories and providing participants with professional, financial, and insurance support that allows them to focus on their goals and advance in both Israeli and global arenas.

The initiative highlights Harel's commitment to perseverance, determination, and achievement by advancing the professional development of athletes and artists while enhancing their social contribution and the international recognition of Israeli excellence.

Notable participants include: Ran Krauss, a mountaineer who summited Mount Everest after a training plan that included breaking the Israeli stair-climbing record at the Harel Tower; Gashau Ayale, an Israeli marathon runner and Paris 2024 Olympian; Noa Klagsbald, a multidisciplinary artist who presented her GOAL art project at the Cultural Olympiad in Paris; Yael Kadshai, a Dakar Rally competitor sponsored by Harel ahead of her international races.

Art, Community, and Inspiration at the Fresh Paint Fair

The Fresh Paint Art Fair is Israel's largest annual art and design event, held in collaboration with the Tel Aviv-Jaffa Municipality and showcasing exhibitions and works by Israeli artists and designers. In 2024, Harel served as one of the fair's main sponsors, alongside Zurich Insurance Group.

The fair's launch party was hosted in our innovation hub, GUTS, located in the M.E.H. Tower in Tel Aviv, a space dedicated to advancing innovation in insurtech, fintech, and AI.

Supporting art and culture is a key element of Harel's commitment to society. Our support for the Fresh Paint Art Fair reflects our dedication to fostering local creativity and advancing Israeli art. We believe that art plays a vital role in connecting people, inspiring communities, and rediscovering community spirit.

Community Engagement - The Iron Swords War

Following the attacks of October 7, the Iron Swords War presented Israeli society with unprecedented challenges while revealing the strength of mutual responsibility and solidarity. During this period, Harel adapted its community engagement to address urgent needs as they emerged, driven by a deep commitment to supporting affected communities.

Harel's Donations Committee met frequently from the onset of the conflict, focusing on emergency assistance for residents of Southern Israel and IDF soldiers and their families. Our scope of support soon expanded to include communities in Northern Israel affected by the consequences of the war on this additional front.

Support for Frontline Communities

As part of our commitment to strengthening communities in Israel, we allocated significant resources to meeting the urgent needs of residents along the country's southern and northern borders who were facing severe and prolonged security threats. Assistance included emotional and mental health support for evacuees and those affected by the conflict, as well as educational and recreational activities for children and families.

Our aim was to alleviate the strain of the situation, facilitate a normal-as-possible routine, and reinforce both personal and community resilience. Activities were carried out in cooperation with leading nonprofit organizations through a range of initiatives tailored to local needs, including:

- Funding accommodations for families in the affected regions who have children suffering from chronic illnesses or complex disabilities.
- Donations to organizations focused on rehabilitation for evacuated children and teens, including therapeutic horseback riding and nature-based recovery programs.
- Donations in support of mental health in collaboration with NATAL (trauma therapy), ZAKA (disaster victim identification), the Business Forum, and Latet (poverty and food insecurity program).
- Support for enrichment and educational activities within evacuation centers for children from the Gaza envelope, including sponsorship of activities by the Alon and Ella Organization.
- Purchase of laptop and tablet computers for evacuated children to facilitate remote learning.
- Provide scholarships for university students evacuated from the Gaza envelope and for students called to reserve duty during the war.

Standing By Our Soldiers

As part of our support for the welfare of the nation's security forces, we worked to strengthen the wellbeing and logistical needs of IDF soldiers in the field and their families. This included provision of specialized protective equipment, supporting the rehabilitation of injured soldiers, and expanding mental health assistance for those who experience PTSD.

In addition, we offered welfare initiatives designed to give soldiers respite and relief from the demanding realities of combat. These initiatives were carried out in collaboration with our nonprofit partners to ensure an accurate response to real-time needs, including:

- A mobile workshop providing repair services for uniforms and equipment to soldiers at field assembly zones.
- Sponsored hot meals prepared daily by volunteers (500 to 1,000 meals per day).
- Donations for emotional recovery journeys, in collaboration with the IDF Disabled Veterans Fund and organizations supporting veterans with PTSD, such as an empowerment journey for Maglan combat soldiers.
- Sponsored rest and recovery days for soldiers and security forces personnel.





Nofar Dahan,
Communications
Coordinator

Supporting Medical Centers

Supporting the country's healthcare system has become a central part of our social activity, particularly during times of national security emergency. Within this framework, we have invested significant resources in acquiring advanced medical equipment and enhancing medical infrastructure in hospitals located near conflict zones.

We worked to assist medical teams treating war casualties, funded new departments, and reinforced intensive care and emergency units. Furthermore, we contributed to the development of dedicated infrastructure for immediate life-saving treatment, with the aim of improving medical services in the long term as well. Among our key efforts:

- Funding additional rehabilitation departments at Soroka and Barzilai hospitals.
- Donating resources for the acquisition of equipment for operating rooms and trauma units.
- Supporting the establishment of a fortified underground hospital for urgent care.
- Funding the purchase of advanced life-saving medical diagnostic devices.

Standing by Kfar Aza

Following the events of October 7, 2023, Harel mobilized to support the rehabilitation of Kibbutz Kfar Aza out of a deep commitment to strengthening the community and supporting its residents during their difficult time. As early as October 10, we provided a direct donation to the Kibbutz. Immediately thereafter, we converted Harel's sales center into a hub for raising and coordinating donations for the Kibbutz, with call representatives working morning till night to assist in addressing the urgent needs of the residents. Concurrently, we redirected the Company's advertising budget to dedicated advertising campaigns encouraging donations from the public. In addition, Harel committed to funding all supplemental medical coverage for Kibbutz children aged 2-18 for the next three years.

We maintain ongoing contact with the Kibbutz, offering solutions for special requests as they arise and developing initiatives that bolster a sense of community and raise morale. One such initiative is featuring drawings by the Kibbutz children in our annual calendar.

In collaboration with the Israeli National Basketball Team, for which Harel serves as the main sponsor, the children of Kfar Aza were invited to a team event at the National Sports Center in Tel Aviv. The children participated in activities with the players, enjoyed personal interactions, and experienced many memorable moments. This event, together with related activities, reflects our values of solidarity, unity, and hope. It also forms part of the broader support network Harel is advancing to strengthen and provide long-term support for communities most deeply affected by the war.





Harel Volunteers

We recognize the many benefits of active community engagement. Our volunteer program is endowed with dedicated resources and managed by our Corporate Responsibility Department, with every employee entitled to three volunteer hours per month on account of paid work hours. Our senior management defines the Group's volunteer policy, sets goals, and monitors implementation.

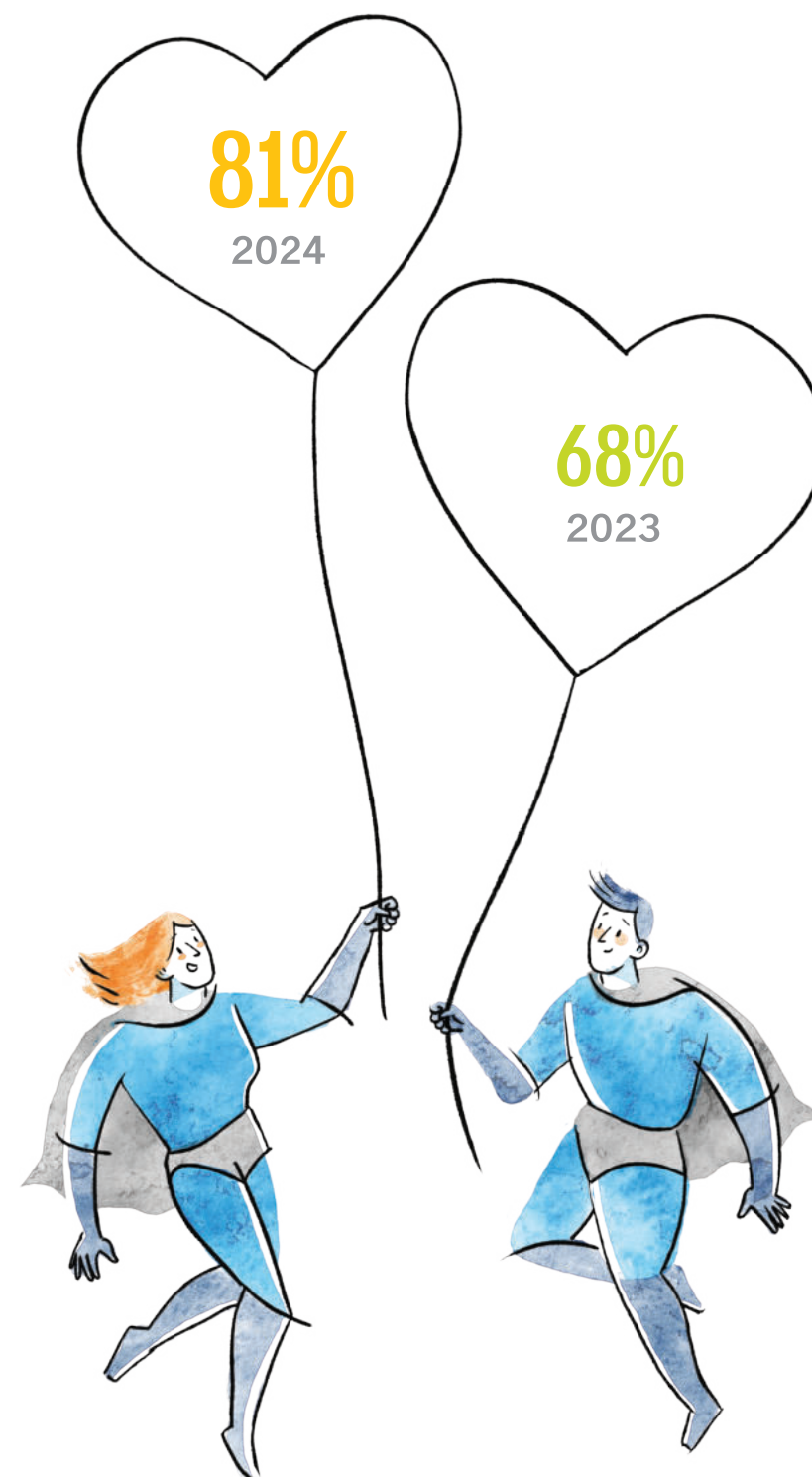
Throughout the Iron Swords War, Harel actively mobilized to support Israeli society by undertaking a variety of meaningful volunteer activities, focused on aiding evacuees, soldiers, and local farmers, and reinforcing the resilience of affected communities.

In response to our employees' suggestions, we partnered with the **Alon and Ella** nonprofit organization, which supports the Company's volunteer efforts. The organization, operating in collaboration with the Ministry of Defense and maintaining strong connections with communities across Israel, helped us offer employees and their families a wide variety of meaningful volunteer opportunities.

Through this partnership, we focused our activities on supporting evacuees, soldiers, and disadvantaged populations, reflecting a shared commitment to assist those who need it most, including at-risk groups.

In 2024, the organization received the President's Volunteer Award, in a ceremony honoring individuals and organizations that demonstrated exceptional initiative and contribution during the early weeks of the war.

Employee volunteer participation rate



Volunteer Efforts During the Iron Swords War

Following the horrific attacks of Saturday, October 7, 2023, Harel mobilized to support Israeli society as it contended with an unprecedented crisis. Since the war's outbreak, we have undertaken a concentrated effort to assist both civilians and soldiers. Below are some initiatives launched and implemented during the early days of the conflict:

Care Packages from our Heart to the Frontlines and Home Front

As part of our partnership with the Alon and Ella nonprofit organization, Harel employees joined in preparing care packages for active duty and reserve soldiers, along with basic food packages for evacuated families. The initiative included shopping for food, packing the groceries and delivering them to areas in urgent need. Our aim was to provide immediate support for the basic nutritional needs of families and soldiers while reinforcing a sense of solidarity during the challenging days at the onset of war.

School Bags and Heartfelt Greetings

Employees from Harel's Investments Division took part in a special initiative aimed at helping children from the Gaza envelope communities to maintain a sense of normalcy. Employees purchased, packaged and delivered school bags and school supplies for children who had been evacuated from their homes. The delivery also included a variety of toys as well as drawings and personal notes from employees' children, all intended to uplift the spirit of the hardest hit communities. The packages were received by the families in their temporary shelters, offering warm reassurance and emotional support during a challenging time.

Harvest, Greenhouses, and a Call to Agricultural Duty

As part of a joint effort to support Israeli agriculture amid the ongoing crisis, Harel employees from multiple departments volunteered for a wide range of agricultural tasks. Activities were carried out on farms across the country and included harvesting tomatoes and cucumbers, assisting in greenhouses, and picking citrus fruits. These volunteer efforts formed part of the "Call to Agricultural Duty" initiative, which connected volunteers with local farmers in need of helping hands.

Life-Saving Blood Drive

In a blood drive campaign held in partnership with Magen David Adom, approximately 180 Harel Group employees and reserve soldiers donated life-saving blood. The campaign took place at the Company's offices and saw an impressive and heartening employee turnout.



(left) **Maayan Gadidyan**, Medical Underwriter; **Moshe Zecharia**, Claims Consultant, Agents Information Center

Children for Children

In 2023 we launched the "Children for Children" initiative, a unique volunteer program developed in collaboration with the Alon and Ella NPO to encourage values of giving and community engagement among the children of Harel employees. In both 2023 and 2024, ahead of the new school year, hundreds of employees and their children gathered to pack approximately 1,600 back-to-school care packages for families in need.

The event also featured a talk by Alon Brikman, founder of the NPO, and an educational activity with Olympic champion Uri Sasson, who shared his personal story and the challenges he overcame. At the end of the day, the children received certificates of appreciation for their meaningful participation.



Packing and Distributing

A Sandwich for Every Child

In Israel, hundreds of thousands of children and teens go to school hungry every day. For over a decade, we have partnered with the "Nevet" (Sprouts) organization in providing nutritious daily school lunches for Israeli children from disadvantaged backgrounds. As part of the project, more than 400 Harel employees volunteered to distribute over 20,000 sandwiches throughout the school year for the children of the "Komemiyut" and "Remez" schools in central Israel.

The project provides employees with a meaningful and consistent volunteer experience, while offering students from underserved backgrounds an equal opportunity to focus on their classwork and improve their academic performance.

Purim Holiday Gift Packages with Added Value

Ahead of Purim 2024, and in collaboration with the Alon and Ella organization, employees from the Digital and Service Division and the Direct Marketing & JV Division joined efforts to pack 550 holiday gift packages intended to bring joy and convey support to vulnerable populations.

During the event, Alon Brikman, the organization's founder and CEO, spoke about the importance of social engagement and empowering vulnerable communities, with a focus on supporting Holocaust survivors and at-risk children and teens. The activity further strengthened values of giving, camaraderie, and mutual responsibility among Harel employees.



An Independence Day Supporting Local Artisans

In honor of Israel's 76th Independence Day, and in the spirit of national unity amid the Iron Swords War, employees from the Health & Life Insurance, Long-Term Savings, and Harel Hamishmar Computers Divisions participated in a special initiative to pack 400 Israeli-themed gift packages for IDF soldiers.

Every item in the package was sourced from local businesses, and each package included a handwritten note from one of our employees as a gesture of warmth, appreciation, and support.

A Great Light: Hanukkah Packages for Soldiers

In celebration of Hanukkah in the years 2023 and 2024, and in collaboration with the Alon and Ella organization, Harel employees packed 500 sweet holiday packages along with a personal greeting card. Packages were delivered to IDF soldiers as a token of appreciation for their service.

A Hug in a Box

In 2023 and 2024, Harel employees from the Northern and Jerusalem districts took part in a volunteer initiative in collaboration with the “Bikurim” nonprofit organization, packing and distributing care packages for hospital patients. The initiative aimed to expand the circle of support and foster warm connections with the community during a particularly challenging period.

“Bikurim” seeks to lift the spirits and bring comfort to hospitalized patients across Israel through personal visits, care packages and emotional support. Its activities are rooted in broad community engagement and a commitment to compassion and support in difficult times.

As part of the initiative, district employees hosted representatives of the non-profit organization at Harel’s offices, learned about its meaningful work, and helped prepare personalized care packages for patients.

Beach Cleanup

In 2024, approximately 300 Harel employees participated in environmental volunteer days at the Palmachim Beach National Park, in collaboration with the Israel Nature and Parks Authority. The activity focused on beach cleanup efforts, reflecting the Group’s commitment to protecting Israel’s coastal and marine environment.

Each volunteer day began with a lecture delivered by park volunteers on the impact of waste and pollution on public health and the ecosystem. After a brief safety overview, employees set out for hands-on cleanup work and spent the day clearing litter from the shoreline.



Reut Dotan, Operations Team Leader, Health Insurance



Environmental Sustainability

Protecting Israel's Future

Harel's commitment to environmental sustainability is driven by a forward-looking approach, a sense of responsibility, and a dedication to securing the wellbeing of future generations. We work to reduce the environmental impact of our operations by integrating environmental considerations into decision-making processes, promoting green initiatives, and lowering the Company's carbon footprint. Through partnerships and shared responsibility, we strive to cultivate a cleaner and healthier environment, reflecting our view that environmental stewardship is the most reliable insurance for our future.

Reducing our Environmental Impact

At Harel, we take an active role in the collective effort to mitigate the impacts of climate change. Beyond our core operations as an insurance, pension, and financial services group that promotes health, financial security, and well-being, we recognize our direct responsibility for reducing the environmental footprint of our activities. This commitment drives continuous improvements in energy efficiency across Company facilities, reductions in greenhouse gas emissions, and waste reduction.

The Corporate Responsibility Department, working in collaboration with the Logistics Division and other internal teams, leads the implementation of environmental principles across the Company while actively engaging employees in these efforts. We strive to implement environmental principles into core business processes, including risk management, new product development, and the assessment of the environmental impact associated with the services we provide.

In keeping with our commitment to transparency, we regularly measure and report our environmental performance through the Maala Corporate Responsibility Rating, voluntary reporting to the Ministry of Environmental Protection, and our annual Corporate Responsibility Reports.



Adva Zituni, Long-term
care Claims Adjuster

Promoting Green Transportation

Reflecting our commitment to integrating environmental considerations into our core activity, we develop and offer insurance products that encourage sustainable transportation.

- **Electric Vehicle Insurance:** A policy that provides coverage tailored to the unique needs of electric vehicles owners, supplemental to the standard comprehensive coverage. The policy includes an expanded roadside assistance package with electric charging services, tire replacement, and coverage for home charging stations and charging accessories.
- **Harel Switch:** A policy based on a "pay per mile" principle, with dynamic monthly premiums determined by the number of miles driven each month, based on the moto "If you don't drive, you don't pay."

In addition, we developed various investment products that promote environmental sustainability. These products are described in more detail in the Investments chapter hereinafter.





We are all Part of the Environmental Effort

Our activities are inherently office-based with environmental impacts such as greenhouse gas emissions and other pollutants generated through electricity and fuel consumption, refrigerants in our HVAC systems, and waste such as paper, plastic, cardboard and electronics. Energy consumption management at Harel is led by the Logistics Division's Energy Supervisor, responsible for ongoing measuring, monitoring and taking action to improve energy efficiency.

Electricity Consumption	2023	2024
Total Consumption (GJ)	109,310	109,266
Energy Intensity (Gj/employee)	22.01	22.52

Electricity Consumption (kWh)	2023	2024
From the Israel Electric Corporation	1,236,960	788,146
From a private electricity producer	14,798,302	15,266,173
Total consumption	16,035,262	16,054,319

(left) **Sarit Ben Ezra**, Operations and Organizational Interfaces Manager; **Gila Itzhak**, Mortgage Insurance Coordinator

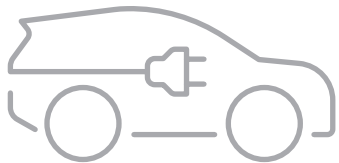
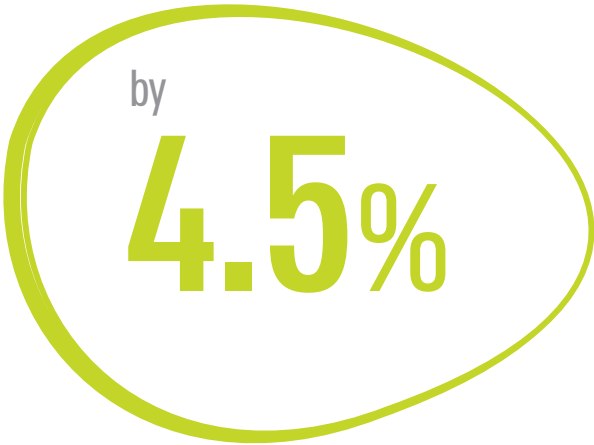
The Future of Sustainable Transportation

As part of our effort to minimize greenhouse gas emissions and promote sustainable transportation, we focused on expanding the use of hybrid vehicles within our corporate vehicle fleet. To support the adoption of environmentally friendly transportation solutions, we are implementing advanced charging infrastructure at company facilities to make the transition to electric vehicles easier for employees.

We will maintain our annual target of achieving a minimum 1 percent reduction in the Group's fuel consumption. We will further assess options for additional electric vehicles in our fleet while providing appropriate charging solutions.

In addition, we encourage cycling to work by offering dedicated bike parking and shower facilities for employees.

Over the past year, the number of electric vehicles in the company fleet increased by approximately 4.5%, and we aim to add an additional 70 vehicles over the next three years.



The number of electric vehicles in the Group's fleet increased

Fuel consumption (liters)

1,501,598



2023

1,500,739



2024

Greenhouse Gas Emissions

We are proud to be the first insurance company in Israel to begin measuring the carbon footprint resulting from its operational activities. For over a decade we have been reporting to the Ministry of Environmental Protection's voluntary GHG registry. We monitor and oversee our direct and indirect emissions in an effort to manage and evaluate the Group's energy efficiency and effectively reduce our environmental impact.

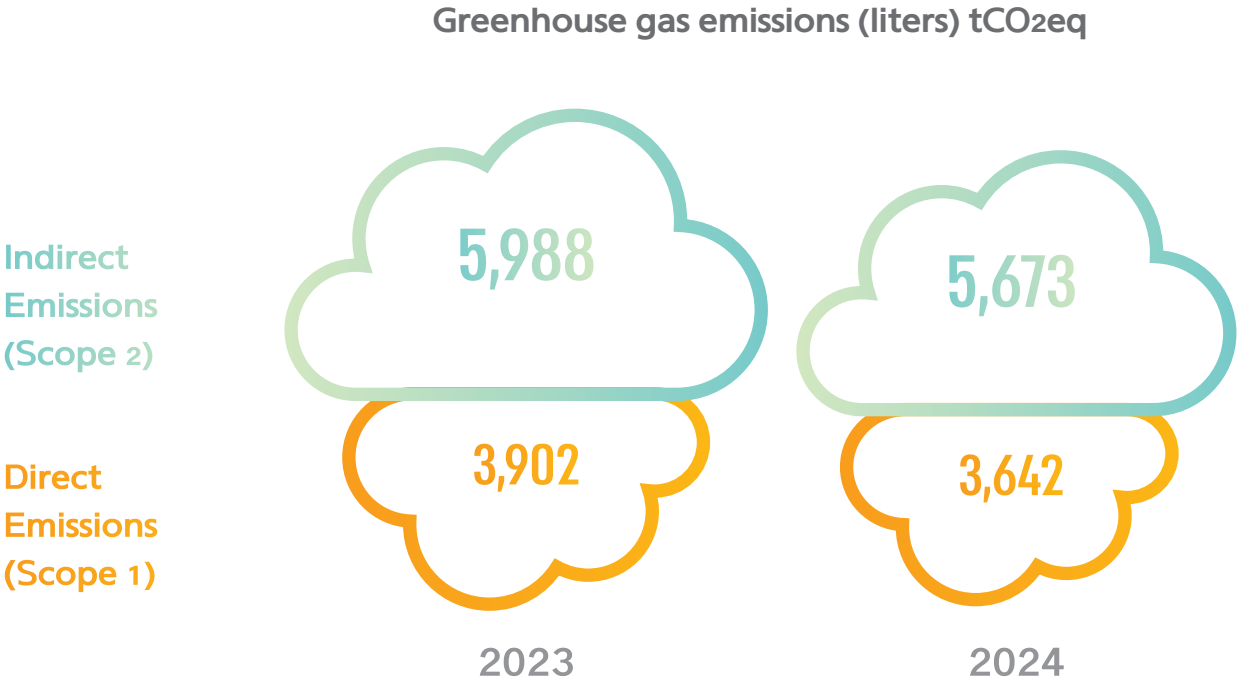
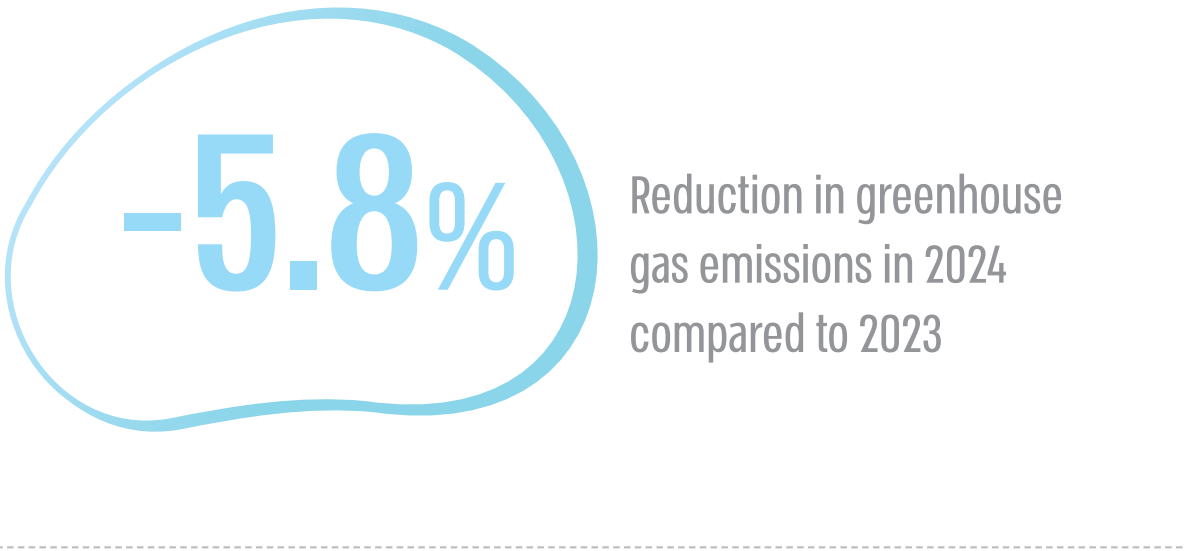
Emissions measurement and calculations are compiled using internationally recognized guidance based on the Greenhouse Gas Protocol. Emissions are classified into types:

- 1. **Direct emissions (Scope 1)** - emissions directly released from sources controlled by the Company associated with the fuel consumption of our fleet and with the use of refrigerants in our HVAC systems.
- 2. **Indirect emissions (Scope 2)** - indirect emissions resulting from the consumption of electricity through the Electric Corporation and a private energy producer.

As of 2021, we have been purchasing electricity from a private producer, OPC, a plant producing electricity from natural gas, a cleaner energy source emitting lower levels of GHGs. In 2022, we entered into an agreement with an additional natural gas-based energy producer, Dalia Energies, and thus further expanded the volume of electricity we consume from less polluting sources.

In 2024, we reduced our carbon footprint compared to the previous year, decreasing our GHG emissions by 5.8%.

GHG Emissions (tCO2eq thousands)	2023	2024
Direct Emissions (Scope 1)	3,902	3,642
Indirect Emissions (Scope 2)	5,988	5,673
Total Emissions - Carbon Footprint	9,890	9,315
GHG Emission Intensity (tCO2eq per employee)	1.99	1.92



Responsible Waste Management

Harel's Logistics Division leads a range of initiatives aimed at reducing waste, including shifting from disposable to reusable options, increasing recycling volumes, and implementing reuse solutions.



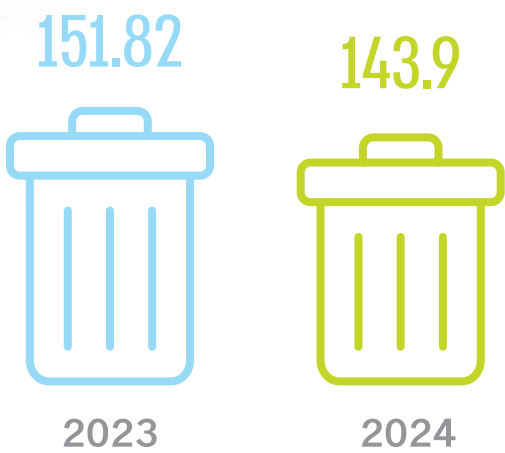
Sigal Schvaifel, Head Office
Underwriter - Regional Underwriting



All paper, cardboard, and electronic waste is sent for recycling:

Recycling (tons)	2023	2024
Paper	65	46
Cardboard	13	16
Electronic waste	2.4	3.7

Waste sent to landfills



Saving Trees: Reducing Paper Consumption through Digital Services

As an insurance company compliant with various regulatory reporting obligations, we are a paper-intensive operation. Aligned with our environmental responsibility, we have transitioned to recycled paper for all printing needs. In parallel, we continue to reduce paper consumption at the source by expanding digital processes across all departments. As such, in recent years, we have significantly expanded the use of electronic communications for customer documents and reports thereby reducing reliance on printed mail.

In addition, digital services have been developed to allow our customers to perform online self-service operations, supporting more resource-efficient practices. For example, digital signatures improve the service experience, save time and resources, and reduce paper consumption. Policy holders and agents can easily and digitally submit a health or vehicle claim, redeem a pension, provident or education fund, change a savings plan track, edit personal information and payment methods, all through accessible digital channels.

The digitization process is also implemented within our interface with suppliers, using an online platform that eliminates paper use for invoices, receipts and the like.



**Batia Holli, Property and Vehicle
Claims Adjuster**

Responsible Procurement: Choosing Suppliers with Environmental Integrity

Throughout the reporting period, we further reinforced our commitment to corporate responsibility by integrating environmental and social considerations into our procurement processes.

In line with our "Green Procurement" policy, our tenders include environmental requirements in our supplier requests for information (RFIs). This information is translated into a scoring system that aids in supplier selection. In 2022, we increased the weight of environmental criteria within the scoring process, giving these aspects even greater significance in supplier evaluations.

Raising Environmental Awareness Among Employees

We undertake a variety of environmentally conscious activities and encourage employees to take environmental initiatives, change habits and adopt eco-friendly practices at work and at home. Among the measures we have taken to achieve this:

- **Communication and Education:** Sharing content and updates through the corporate and agents' portals, particularly around Earth Day and Recycling Day, along with practical anecdotes and tips for personal implementation.
- **Recycling and Reuse:** Installing collection bins for bottles, batteries, unused medication, and old clothing, and ensuring their recycling or reuse. An initiative that generates both environmental value and social contribution.

Ethics and Corporate Governance

The Ethical Compass Guiding Us

Harel upholds a transparent and principled corporate governance policy across all levels of the organization and in all interactions with our stakeholders, including customers, agents, employees, suppliers, investors, and the communities in which we operate. By adhering to international standards and fostering a corporate culture grounded in ethics and integrity, we strive to ensure that our values continue to guide our actions and serve as a compass for our operations.



A Commitment to Ethics and Values

At Harel, we consider a strong ethical business culture to be a fundamental pillar of our organizational integrity and sustained industry leadership. Accordingly, we maintain uncompromising standards of fairness, transparency, and responsible conduct across all interactions with our stakeholders.

Harel's Code of Ethics

The Harel Group Code of Ethics defines our identity. Grounded in six core values that shape our organizational culture and serve as the moral compass that guides our daily course of action, the Code establishes clear standards of behavior for all employees and functions as a practical framework for informed, responsible, and ethical decision-making.

The Code aligns with the nature of our operations, approved by the Audit Committee and Board of Directors, and periodically updated to address any issues raised by our stakeholders. The Group's Code of Ethics can be found on [Harel's website](#).

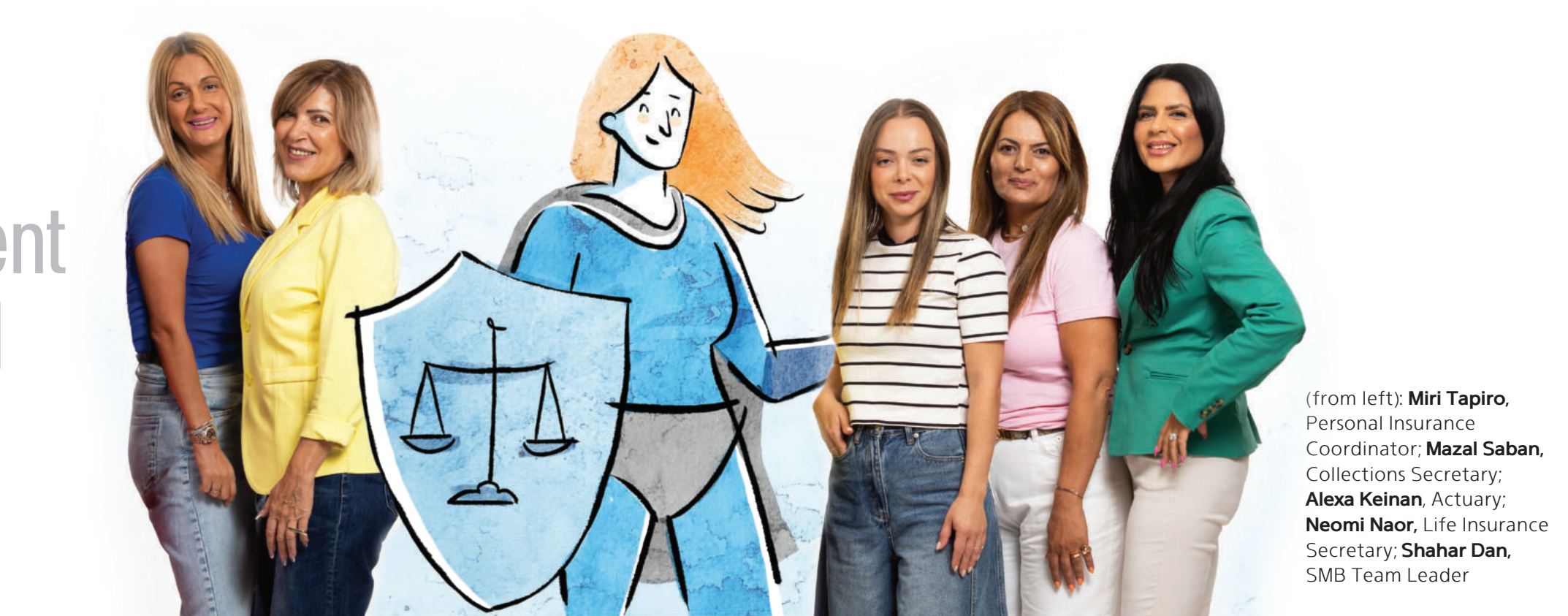
Response to Inquiries

The implementation and enforcement of the Code of Ethics across all Group companies falls under the responsibility of our VP, who also serves as the Company's Sexual Harassment Prevention Officer. Employees are encouraged to reach out to the Ethics Officer or their direct supervisor in any ethical dilemma or concern of violation of regulations or the Code of Ethics. Reporting may be submitted directly through various communication channels such as phone or email, as well as indirectly, through the various department managers, HR or other relevant parties.

We are committed to addressing every inquiry promptly and professionally, while maintaining full confidentiality and supporting the employee throughout the review process and beyond, if needed. The review includes discussions with relevant parties, gathering findings, and compiling a report outlining final conclusions and resolutions.

Embedding Ethical Culture

To ensure the Code of Ethics is embedded in daily work practices, new employees receive the Code along with their employment agreement and must confirm they have read and agreed to its terms. Furthermore, new employees are introduced to our counseling and reporting mechanisms and receive ongoing communications on a variety of related topics such as the prevention of sexual harassment and procedures for the prevention of embezzlement and fraud.



(from left): **Miri Tapiro**, Personal Insurance Coordinator; **Mazal Saban**, Collections Secretary; **Alexa Keinan**, Actuary; **Neomi Naor**, Life Insurance Secretary; **Shahar Dan**, SMB Team Leader

Corporate Governance

Upholding responsible corporate governance is among our highest priorities. Our Board of Directors is entrusted with defining our corporate strategy, overseeing business operations, and ensuring financial resilience to safeguard our stability and success against risks, opportunities, industry trends, and emerging challenges.

The Board of Directors operates in accordance with various regulatory changes and business considerations, with the aim of ensuring an appropriate governance framework, professional competence and optimal management.

*The data presented refers to the Harel Investments Board of Directors.

A Diverse Board with Wide-Ranging Expertise

Our Board is diverse, encompassing gender, age, and social representation. Board members bring expertise across key areas of the Group's operations, including risk management, finance, legal affairs, strategy, corporate responsibility, marketing, technology, banking, and insurance, in line with regulatory requirements and the directives of the Capital Market, Insurance and Savings Authority. None of the Board members hold an executive role within the Group.

Appointments to the Board and its committees are conducted in accordance with the Companies Act, the Securities Act, and relevant regulatory guidelines, with a strong focus on independence, impartiality, expertise, and adherence to the standards expected of a leading insurance and financial services organization.

The Group's Board comprises 11 members - 3 women and 8 men - with Mr. Yair Hamburger serving as Chairman. Further information on the composition of the Board is available in [the Company's financial reports](#).

Board Committees

Harel's standing Board committees include:

- **Remuneration Committee** - Reviews the framework of the remuneration policy and the terms and conditions of employment of controlling shareholders and executive directors.
- **Audit Committee:** Oversees the Group's and its subsidiaries' internal audit programs and reviews internal audit reports, also responsible for overseeing the adequacy of financial reporting.
- **Risk Management Committee:** Addresses the various risks facing the Company, including capital adequacy, and formulates recommendations for the Board.
- **Nostro Investment Committee:** Reviews the investment activities of the Company and its subsidiaries, providing findings and recommendations on investment management policies to the Board.
- **Strategy Committee:** Focuses on defining and evaluating the Group's key strategic directions.

Matters relating to corporate responsibility are reviewed both by the Investment Committee and during general Board meetings.

Board Training and Continuous Governance Engagement

Our Board of Directors is actively and regularly involved in all material matters concerning the Company. Board meetings include professional briefings delivered by Group members, with an annual professional development session for all Board members.

In addition, we maintain a structured orientation program for new directors, which includes meetings with key executives who provide an in-depth overview of their areas of responsibility.

Director qualifications are reviewed several times a year. Any change in Board composition is assessed from a broad, system-wide perspective to ensure the continued integrity, proficiency, and professionalism of the Board as a whole.

Investment Oversight and Strategy

The Board and its Investment Committee oversee the Group's investment activities, define the investment strategy, and formulate the general investment policy, updating and reviewing these annually. The boards of the relevant subsidiaries are responsible for determining company-specific policies aligned with their respective business activities.

The Investment Committee monitors the implementation of the policy on a quarterly basis and receives regular reports from the subsidiaries. The investment policies of all subsidiaries are published [on the Harel Group website](#).

Board Responsibility for Advancing Sustainability

The Board of Directors and our executive management play a pivotal role in defining, approving, and continuously updating the Group's sustainability strategies, policies, and targets. They are actively engaged in setting the Group's strategic direction, with dedicated oversight of corporate responsibility matters.



Giora Paikin, Data Validation Department

Proper Governance

Harel undergoes regular internal and external audits and operates in full compliance with all legal requirements, regulatory directives, and government guidelines. In addition, internal mechanisms and procedures have been established to ensure responsible and proper governance at all Group levels

Compliance, Enforcement, and Organization-Wide Implementation

Our compliance and internal enforcement programs are designed to ensure adherence to securities laws, antitrust and labor laws, as well as directives from the Capital Market, Insurance, and Savings Authority. These programs are updated periodically to reflect regulatory changes, under the responsibility of our Compliance Officer and with approval from the Boards of the Group's companies.

We actively monitor current regulatory circulars and publications, implementing them across relevant units through formalized procedures, which are updated as needed. Oversight is conducted by the Compliance and Enforcement Division, Harel Finance Control Department, and the Group's Internal Audit function, in accordance with approved programs.

To ensure effective implementation, dedicated compliance representatives were appointed within each business unit. Professional guidance is provided by legal advisors and the Group's Advisory and Control Division, documenting the implementation process. Periodic reviews assess the level of compliance, and ongoing efforts are made to improve processes when necessary. Regular training, seminars, and steering committees are conducted for each area to ensure up-to-date and effective implementation. All compliance programs are available to employees through the corporate portal and include dedicated e-learning modules and anonymous reporting channels.

Integrity and Conflict of Interest

Harel's executive officers are subject by law to the duty of care, fiduciary duty, a duty to maintain corporate governance and other obligations pursuant to the directives of the Capital Market, Insurance, and Savings Authority. Directors hold no executive roles within the Group and are not subject to the CEO. In addition, directors refrain from participating in discussions or votes where a conflict of interest or personal interest may arise.

Executive Remuneration Policy

Harel has established a detailed executive [remuneration policy](#) designed to incentivize and guide senior management in alignment with the Group's strategic objectives. The policy further aims to maintain a competitive advantage in recruiting and retaining high quality talent in senior roles, thereby contributing to long-term economic value.

The Board's Remuneration Committee regularly reviews the policy, with formal updates at least every three years. The policy is in compliance with provisions based, among other sources, on the Companies Law, the Compensation for Executives of Financial Institutions Law, and the Consolidated Circular issued by the Commissioner of the Capital Market, Insurance and Savings Authority.

Internal Audit Function

The Group's Internal Auditor, appointed by the Board, leads the Group's Internal Audit department, which includes additional auditors across some subsidiaries. The department operates according to a comprehensive multi-year plan, updated every four years, alongside a dedicated annual work plan.

Throughout the year, audit reports are submitted to the Boards' Audit Committee in accordance with the annual work plan. The committee convenes to discuss the findings of each report with the audited parties. In addition, audit results across the Group's companies are reported to the Company's Audit Committee.

Comprehensive Risk Management to Safeguard Financial Stability

The Group's business activities expose us to a variety of risks, mainly: insurance risks, market and credit risks, alongside liquidity, operational, legal, reputational, and business risks. As such, we have established a comprehensive risk management policy based on proactive and structured processes for identifying, assessing, measuring, managing, and monitoring risks. The policy ensures controlled risk exposure while safeguarding financial stability, meeting business objectives, and complying with regulatory requirements.

The Group's Chief Risk Officer oversees this domain and operates independently from the business units, ensuring objectivity and cross-organizational collaboration. She is responsible for establishing processes for identifying, evaluating, and reporting risks, including risks inherent in new products or material transactions.

Risk management processes are subject to oversight by the Group's Board of Directors and the boards of its subsidiaries, which receive regular reporting on this matter, define risk strategy and policies, approve procedures, set exposure limits, and monitor compliance. In accordance with regulatory requirements, quarterly reports are submitted to the Boards of Harel Insurance and Harel Pension & Provident Funds.

In an effort to ensure the effective implementation of our risk management policy and to mitigate the risk exposures inherent in our operations, we invest considerable resources in enhancing our work processes, technologies, control mechanisms, and management systems.



(top left): **Yaron Eilat**, Systems Analyst, Harel Hamishmar Computers; **Vered Bangiev**, Team Leader Manager, Agreement and Management Fees Mechanization; **Ruthy Amzaleg**, Operations Manager, Health Insurance Division; **Shimon Halevi**, Pension Benefits Disbursement Clerk; **Ilona Rotner**, Automation Process Analyst, Harel Hamishmar Computers

Prevention of Embezzlement and Fraud

The nature of our operations, Harel's unique organizational and hierarchical structure, and the scope of our assets under management expose us to potential fraud and embezzlement by factors within and external to the Group. We operate in compliance with regulatory requirements on embezzlement and fraud prevention and in accordance with the Policy for Prevention of Embezzlement and Fraud approved by the Board.

This policy establishes a structured framework for the prevention, detection, reporting, and mitigating incidents of fraud or embezzlement. Key elements of the policy are embedded within our operational procedures, workflows, and the Code of Ethics, guiding Company employees on matters of conduct, discipline, and professional ethics. Suspected cases of fraud or embezzlement - whether involving employees, managers, agents, suppliers, policyholders, clients, or other stakeholders - can be reported to the CRO or through an anonymous reporting channel.

A review of fraud and embezzlement risks is conducted once every four years in accordance with regulatory guidelines. The review documents the principal business processes, existing controls, risk probability and severity assessments, and the quality of controls. Where appropriate, the review outlines proposed measures for risk mitigation and enhanced control effectiveness.

Capital Management: Balancing Financial Stability with Business Growth

Our policy is to maintain a strong capital base that ensures solvency and the ability to meet obligations to policyholders, while supporting business sustainability and generating returns for our shareholders.

As part of the capital requirements applied to the Group's companies by virtue of the Solvency II-based economic solvency regime, the Board has established general dividend distribution thresholds under the capital management plan. These thresholds are designed to ensure the Company can withstand crises without materially affecting operations or capital adequacy and are reviewed periodically.

Additionally, based on the second pillar of Solvency II, the Company reports our Own Risk and Solvency Assessment (ORSA) to the Commissioner. A key principle of this risk assessment is to establish a link between business strategy, risks, and capital management, thereby enhancing clarity and understanding regarding the Company's long-term capacity to withstand risks arising from its strategic objectives.

ORSA reporting is conducted at least annually or upon material changes in the Company's risk profile or risk appetite and submitted both internally and to the Commissioner.

Managing Artificial Intelligence Risks

In line with evolving regulatory trends, Harel has taken steps to identify and mitigate emerging risks associated with artificial intelligence. The Group has adopted recommendations from interim reports issued by the Ministry of Justice and the Bank of Israel concerning the use of AI in the financial sector.

Accordingly, our CRO has conducted comprehensive assessments of operational and ethical risks arising from AI-based models, in coordination with the Legal Division and in compliance with emerging regulatory guidelines.

Risk Management During Geopolitical Instability

Throughout the armed conflict in the years 2023 and 2024, Harel assessed potential geopolitical scenarios and their possible impact on our business operations. To date, no material impacts have been identified, and business continuity has been maintained through continuous monitoring and adaptive risk management aligned with evolving market conditions.

ESG Risk Management

Insurance companies face a range of ESG-related risks, particularly those linked to climate change, as it becomes increasingly significant worldwide. Harel recognizes the importance of addressing these risks and integrating ESG considerations into its core activities. Accordingly, the Group has adopted an ESG Investment Policy that applies to all investment portfolios in line with regulatory requirements.

In 2023, we evaluated the potential impact of sustainability risks on our insurance operations, with findings reviewed by the Board's Risk Management Committee. Financial statements also include ESG-related disclosures, demonstrating the growing relevance of these matters to stakeholders.

Harel is committed to responsible ESG risk management, aiming to mitigate potential adverse impacts on both the Company and its clients. This commitment includes monitoring global trends, adapting to emerging regulatory and market developments, and considering expectations from clients, investors, and regulators.



**Natali Binyamini, Marketing
Manager, Harel Finance**

Information Security and Customer Privacy

We are committed to responsibly managing the information entrusted to us and safeguarding the privacy of our customers. Accordingly, we pledge the utmost transparency to our customers regarding the personal information collected by the Company with their consent.

We take meticulous care to securely store this information, as part of our vision to provide our customers with peace of mind. As such, we continuously invest in the implementation of advanced information security technologies, together with protective mechanisms that ensure the safeguarding of customer rights.

Cyber Risk Management and Information Security

Our approach to cyber risk management and information security is based upon a three-layer model: a technological defense layer, threat intelligence and incident response layer, and a regulatory, organization and methods layer. Alongside operational readiness, we are insured against cybercrimes and various cyber events.

The cyber world is dynamic, and we remain highly vigilant of any change or development, preparing accordingly and training our teams to effectively face emerging threats. We operate in accordance with the provisions of the Institutional Entities Circular on "Cyber Risk Management in Institutional Entities" and in accordance with the Group's policy on the subject, formulated by the Board and publicly disclosed on our website. This policy addresses aspects such as personal data protection, data security, encryption, online fraud (phishing), and more.

Concurrently, we conduct regular surveys and penetration tests to assess the potential impact of information technology risks on core systems and business processes, including events that may result in material impact. The Cyber Steering Committee convenes at least once per quarter to oversee implementation of the cyber risk management work plan, review risk assessment findings and mitigation strategies, and analyze lessons learned from any significant events.

The Board oversees the committee's activities and receives updates at least once a year on its operations, findings, and recommendations.

Business Continuity During Crisis

We are committed to maintaining business continuity under any circumstance and continuously enhance the Group's Disaster Recovery Plan (DRP) to ensure resilience and preparedness. Our business continuity framework includes two primary components:

1. Readiness for systems failure - ensuring continued activity during computer and information systems disruptions
2. Readiness for a catastrophe in our headquarters or principal offices that can lead to employee unavailability

As part of our DRP framework, we conduct periodic drills that simulate disruptive events to assess the Group's ability to sustain critical business and logistic continuity at an alternative site, through the operation of key systems and platforms. These drills are designed to strengthen organizational readiness, mitigate operational risks, and ensure functional continuity under any scenario.

About this Report

We are proud to present Harel Group's seventh Corporate Responsibility Report, reviewing the Group's principal activities in Israel for the years 2023 and 2024.

Harel's Corporate Responsibility Reports reaffirm our dedication to integrating corporate responsibility into the core of our business operations. This report outlines activities across all key areas of corporate responsibility, including value creation for our customers, service quality, community engagement, human capital development, ethical conduct, corporate governance, environmental stewardship, and more.

The report reflects our ongoing commitment to transparency and serves as a comprehensive and reliable resource on the issues identified as material to the Group's operations. Additional information regarding the Group and its activities is available in the annual financial statements for 2023 and 2024, published on our website.

The preparation of this report was supported by Good Vision, a corporate responsibility consulting firm and a member of the Fahn Kanne & Co. Grant Thornton Group, a GRI Organizational Stakeholder.

For further information regarding this report and its contents, please contact:

Harel Insurance and Finance Group:

Ms. Adi Ciobotaru, Head of Communications and CSR: adicho@harel-ins.co.il

Good Vision - Corporate Responsibility Consultants:

Mr. Ivri Verbin, CEO: Ivri.Verbin@goodvision.co.il

We would like to take this opportunity to thank all those who dedicated their time and assisted in collecting, analyzing and composing the information for this report. Among them, **May Blechman**, Corporate Responsibility Consultant at Good Vision, **Studio Merchav**, Graphic Design, **Eyal Toueg**, Photography, **Shachar Kober**, Illustrations, **Yaron Frost**, Copywriting.

Cover photo: **Jonathan Harel**, Analyst, Digital and Services Division;
Limor Efraim, Information Systems Team Leader, Harel Hamishmar Computers



Material Topics

The list of material topics presented in this report was determined based on the material topics identified in our previous Corporate Responsibility Report for the years 2022-2023. The list was subsequently refined and updated through a process that included an assessment of global trends in the insurance sector, a review of reports issued by leading international insurance and financial institutions, and alignment with areas that received heightened focus at Harel during the current reporting period. Accordingly, several topics included in the previous report were removed from the materiality list in this report:

- Sales, Marketing, and Product/Service Labeling Practices
- Employment and Employee Rights
- Work-Life Balance
- Economic Resilience
- Greenhouse Gas Emissions
- Resource Management

List of Material Topics

Environmental

Responsible investments

Products with environmental value

Climate change - risks and opportunities

Social

Innovation and digitation

Service quality and customer experience

Employee training and development

Community engagement and employee volunteering

Diversity and inclusion

Employee dialogue and engagement

Health and wellbeing

Products with social value

Governance

Risk management

Ethics and corporate governance

Information security, cyber and customer privacy

Stakeholders Dialogue

providing the investment community and our shareholders with comprehensive, transparent disclosures on Group developments, supported by continuous engagement.

Within this framework:

The Company maintains a dedicated [Investor Relations](#) VP who is responsible for managing ongoing communications with the capital markets and the investor community. This function is supported by an external consultant who provides professional expertise and guidance throughout the year.

We regularly update the "[Investor Relations](#)" section on the Group's website to allow access to current and reliable information, including financial reports, presentations, regulatory filings, corporate responsibility information and more.

- Following the publication of our interim financial results, we publish a quarterly investors presentation on the official reporting platforms of the Israel Securities Authority and the Tel Aviv Stock Exchange ("MAGNA" and "MAYA"), as well as on the Company's Hebrew and English websites. In addition, a conference call with the participation of the CEO and CFO is held to review results.
- Throughout the year and specifically after the release of the Group's financial statements, we conduct ongoing communication, in-person meetings and occasional conferences with analysts and investment managers to provide clarity on matters relating to the Company's financial performance.
- During the year we hold meetings with investment houses and institutional investors allowing our senior management to present overviews to the investment teams of these various institutions.

We hold annual and special general meetings for shareholders. As an additional layer of engagement with stakeholders, we collaborate with the Entropy Group, a consulting firm that provides advisory services to investors and issuers on matters of corporate governance and corporate responsibility, supporting corporations in implementing comprehensive control frameworks and strengthening governance practices. This collaboration enhances our corporate governance standards, mitigates risks and helps optimize resources, while promoting constructive dialogue with investors and regulatory bodies.

In addition, we invest in the development of numerous and diverse communication channels for all stakeholders which allow us to maintain continuous, accessible and effective dialogue, remain attentive to stakeholder needs and uphold their trust. Key dialogue channels are detailed throughout this report as are the topics material to each stakeholder group, including: customers, employees, agents, regulators and government bodies, as well as the community and the environment.

Employment Data

Company Employees - Gender Breakdown	2023			2024		
	Women	Men	Total	Women	Men	Total
Permanent employees	3,506	1,458	4,964	3,411	1,440	4,851
Temporary employees	163	40	203	148	45	193
Total number of employees	3,669	1,498	5,167	3,559	1,485	5,044
Full-time employees	3,449	1,457	4,906	3,366	1,444	4,810
Part-time employees	220	41	261	193	41	234
Non-guaranteed hours employees			0			0
Total number of employees	3,669	1,498	5,167	3,559	1,485	5,044

Workers who are not employees	2023	2024
Workers who are not employees whose employment is controlled by the organization	1,208	1,188

Company Employees - Breakdown by Region	2023							2024						
	Judea and Samaria	North	Lowlands and Mountains	Center	South	Northern Valleys	Total	Judea and Samaria	North	Lowlands and Mountains	Center	South	Northern Valleys	Total
Permanent employees	3	87	1,112	3,220	251	290	4,963	2	54	939	3,476	198	228	4,897
Temporary employees	0	2	43	142	9	8	204	0	2	31	100	6	8	147
Total number of employees	3	89	1,155	3,362	260	298	5,167	2	56	970	3,576	204	236	5,044
Non-guaranteed hours employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-time employees	3	88	1,119	3,155	252	289	4,906	2	55	940	3,417	196	230	4,840
Part-time employees	0	1	36	207	8	9	261	0	1	30	159	8	6	204
Total number of employees	3	89	1,155	3,362	260	298	5,167	2	56	970	3,576	204	236	5,044

Diversity among employees – division according to categories - %		2023				2024			
		Senior Management	Mid-Management	Non-Management	Total	Senior Management	Mid-Management	Non-Management	Total
Gender	Women	43%	68%	73%	71%	46%	67%	72%	71%
	Men	57%	32%	27%	29%	54%	33%	28%	29%
Age	Under 30	0%	6%	31%	26%	0%	5%	29%	24%
	30-50	53%	71%	54%	56%	45%	70%	55%	56%
	Over 50	47%	23%	15%	18%	52%	24%	16%	19%

Diversity of governance bodies		2023	2024
Gender	Women	27%	27%
	Men	73%	73%
Age	Under 30	0%	0%
	30-50	9%	9%
	Over 50	91%	91%

Training Hours by Employee Categories	2023			2024		
	Women	Men	Total	Women	Men	Total
Senior Management				27	9	36
New Department Heads	3	3	6	25	25	50
Current Department Heads	1	1	2	25	25	50
New Team Leaders	24	24	48	24	24	48
Current Team Leaders	1	1	2	26	8	34
Non-management	42	42	84	34.6	34.6	69.2
Average training hours	0.02	0.05	0.03	0.05	0.08	0.06

GRI content index

Statement of use	Harel has reported in accordance with the GRI Standards for the period 1.1.2023–31.12.2024
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	6-7
	2-2 Entities included in the organization's sustainability reporting	All Group entities in Israel
	2-3 Reporting period, frequency and contact point	74
	2-4 Restatements of information	74
	2-5 External assurance	74
	2-6 Activities, value chain and other business relationships	6,14
	2-7 Employees	76
	2-8 Workers who are not employees	76
	2-9 Governance structure and composition	68, Group's financial statements
	2-10 Nomination and selection of the highest governance body	68
	2-11 Chair of the highest governance body	Group's financial statements
	2-12 Role of the highest governance body in overseeing the management of impacts	68-69
	2-13 Delegation of responsibility for managing impacts	68-73
	2-14 Role of the highest governance body in sustainability reporting	59, 69
	2-15 Conflicts of interest	68
	2-16 Communication of critical concerns	70, 72-73
	2-17 Collective knowledge of the highest governance body	68-69 , Group's financial statements
	2-18 Evaluation of the performance of the highest governance body	68,70
	2-19 Remuneration policies	70
	2-20 Process to determine remuneration	68,70
	2-21 Annual total compensation ratio	Group's financial statements
	2-22 Statement on sustainable development strategy	3
	2-23 Policy commitments	67
	2-24 Embedding policy commitments	67
	2-25 Processes to remediate negative impacts	67
	2-26 Mechanisms for seeking advice and raising concerns	67
	2-27 Compliance with laws and regulations	Harel has not been subject to any instances of non-compliance with laws and regulations during the reporting period
	2-28 Membership associations	8
	2-29 Approach to stakeholder engagement	75, 23
	2-30 Collective bargaining agreements	No employees are under collective bargaining agreements

GRI STANDARD	DISCLOSURE	LOCATION
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	75
	3-2 List of material topics	75
Climate change - risks and opportunities		
GRI 3: Material Topics 2021	3-3 Management of material topics	59, 72
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	72
	302-1 Energy consumption within the organization	61
	302-3 Energy intensity	61
GRI 302: Energy 2016	302-4 Reduction of energy consumption	62, 65
	305-1 Direct (Scope 1) GHG emissions	63
	305-2 Energy indirect (Scope 2) GHG emissions	63
	305-4 GHG emissions intensity	63
	305-5 Reduction of GHG emissions	62, 65
Health and wellbeing		
GRI 3: Material Topics 2021	3-3 Management of material topics	34
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	42-44
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	46-47

GRI STANDARD	DISCLOSURE	LOCATION
Employee training and development		
GRI 3: Material Topics 2021	3-3 Management of material topics	39
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	76
	404-2 Programs for upgrading employee skills and transition assistance programs	39-40
	404-3 Percentage of employees receiving regular performance and career development reviews	41
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	35
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	76
	405-2 Ratio of basic salary and remuneration of women to men	36
Community engagement and employee volunteering		
GRI 3: Material Topics 2021	3-3 Management of material topics	49-50
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	50-57
Information security, cyber and customer privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	73
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints of this kind were received during the reporting period
Risk management		
GRI 3: Material Topics 2021	3-3 Management of material topics	71-72

GRI STANDARD	DISCLOSURE	LOCATION
Ethics and corporate governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	67
Innovation and digitation		
GRI 3: Material Topics 2021	3-3 Management of material topics	20
Service quality and customer experience		
GRI 3: Material Topics 2021	3-3 Management of material topics	21
Employee dialogue and engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	41
Products with social value		
GRI 3: Material Topics 2021	3-3 Management of material topics	24
Products with environmental value		
GRI 3: Material Topics 2021	3-3 Management of material topics	60
Responsible investments		
GRI 3: Material Topics 2021	3-3 Management of material topics	28

SASB Index

Topic	Metric	Code	Reference
Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	FN-IN-270a.1	Annual Report 2024, Note 39
	Complaints-to-claims ratio	FN-IN-270a.2	Not publicly reported at this stage
	Customer retention rate	FN-IN-270a.3	Not publicly reported at this stage
	Description of approach to informing customers about products	FN-IN-270a.4	Page 23
Incorporation of Environmental, Social and Governance Factors in Investment Management	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies	FN-IN-410a.2	Page 28
Policies Designed to Incentivise Responsible Behaviour	Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	Not disclosed at this time
	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	FN-IN-410b.2	Page 24, 60
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-IN-410c.1	Not reported at this stage. The company currently has no mechanism for collecting emissions data from the invested companies
	Gross exposure for each industry by asset class	FN-IN-410c.2	
	Percentage of gross exposure included in the financed emissions calculation	FN-IN-410c.3	
	Description of the methodology used to calculate financed emissions	FN-IN-410c.4	
Physical Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Annual Report 2024, Section 3.5.6
	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance)	FN-IN-450a.2	Not publicly reported at this stage
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy	FN-IN-450a.3	Annual Report 2024, Section 2.6.17
Systemic Risk Management	Exposure to derivative instruments by category: (1) total exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives	FN-IN-550a.1	Annual Report 2024, Note 36 Not publicly reported at this stage Annual Report 2024, Section 2.6.17
	Total fair value of securities lending collateral assets	FN-IN-550a.2	Annual Report 2024, Note 36
	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	Not publicly disclosed at this time

