



# 2020 Corporate Responsibility Report



# Corporate Responsibility Report - 2020

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**Chairman of the Board**  
**Mr. David Weisberg**

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## A MESSAGE FROM OUR MANAGEMENT

As I write this message, almost two years after the outbreak of COVID-19, the future remains unclear. While it appears that thanks to the rallying of the public and the tremendous efforts of healthcare providers and vaccine manufacturers, we have finally regained control over our lives, the hundreds of thousands of dead, billions of people lockdown for months, financial markets turned temporarily blind to asset value and the sharp decline in global trade volumes will not be easily forgotten. The crisis has shown us how interconnected we all are, both socially and economically.

It is a general consensus among experts that this is just a harbinger of crises of the same scale we can expect should we fail to join forces to reinforce our social and economic infrastructures, while continuing our efforts against climate change and the dramatic impact it may have on the foreseeable future.

The signs are already here, and we can no longer afford to ignore them. Paving the way for sustainable growth is the greatest challenge we are currently facing. Governments and investors have but one duty: to invest their capital in a way that will support the development of a new economy that will ensure the sustainability of our systems and the prosperity of future generations. We at IBI Investment House work tirelessly to drive this change. And while we are the first investment house in Israel to offer its clients products that generate value through responsible investment opportunities, to date the initiative has met with only partial success. Though the Israeli capital market – companies and investors – has a long way to go before fully recognizing these notions, we will not be deterred from our responsibility. We shall remain steadfast in our path as it is no longer a mere option: it now appears to be the only long-term sustainable choice.

The COVID-19 pandemic and other crises that will emerge in the future are far from hindering our progress. The outlines of our path have never been more clearly defined. There has never been a greater hope for change. We remain committed to our task.



**CEO**

**Mr. Dave Lubetzky**

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Dear Readers,

It is a pleasure and an honor to present our first Corporate Responsibility Report as IBI Investment House celebrates its 50th anniversary. In the relatively young Israeli capital market, this is a substantial milestone and testimony that the core values underlying our activities – from the time of our inception to date – help us be better and more significant for our clients. The customer survey we conducted in mid-2020, about which you can read later in this report, further affirms this and strengthens our conviction in the path we have chosen.

The COVID-19 pandemic has compelled us to contend with various complex challenges. From the volatility that shook the markets and daunted even our most proficient analysts, to our need and responsibility to help our employees continue to perform their jobs optimally, helping them manage the shift to working remotely and succeed in achieving our foremost target – creating value for our customers and maintaining their economic well-being while upholding the values of fair and beneficial conduct towards all our stakeholders.

This year, we have witnessed a growing call for corporations to implement sustainable business practices and to assess their activities in light of this underlying goal. I value and welcome this trend, as IBI was the first investment house in Israel to choose to integrate its business mission with development goals that promote the common good by implementing ESG criteria, donor-advised investments, etc. We are committed to the continued advancement of responsible investments and offer you, our stakeholders, additional tools in line with leading initiatives in Israel and around the world.

As the year 2020 comes to a close, we can be certain that despite the spread of COVID-19 and its economic implications, we succeeded in achieving a commendable growth rate and achieved positive results in most areas of operation. I believe that our dedicated human resources, professional expertise and the diverse array of products and services in our portfolio have contributed to the company's ability to grow and thrive throughout these challenging times, and I would like to thank all of our stakeholders: employees, customers, suppliers and community partners, for your role and contribution to this success.





**Head of Corporate  
Responsibility**  
**Ms. Elah Alkalay**

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The current business environment has become increasingly complex and dynamic, requiring organizations to learn how to better manage the range of their operational interfaces. Corporate responsibility reports are now integral supplements to a company's financial statements, reflecting the company's position and its social, environmental and regulatory interfaces. Although the accounting world offers no standardized approach to these non-financial interfaces, there is no doubt that the business community is rapidly moving towards developing common global standards.

This report is prepared in accordance with the "core" option of the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (SRS) and issued as part of an initiative launched by the Ministry of Strategic Affairs.

IBI Investment House welcomes the Israeli regulator's decision to encourage local corporations to publish corporate responsibility reports. The initiative supports publicly traded companies in enhancing the scope of their management and operations conducted under international standards while promoting improved transparency for local and foreign investors. We believe that preparing this report and understanding the value of corporate responsibility management tools will subsequently render these tools more prevalent.

At IBI we were pleased to become more familiar with globally accepted measuring and assessment methodologies. They serve as a tool for continuous improvement at the corporate level and as an analytical tool, allowing us, as an investment house, to consistently improve our ability to explore investment opportunities and better analyze the risk and returns inherent in them.

I invite you to read this report and look forward to your feedback. Tell us what you found important, what was interesting, what requires further attention and how we can continue to improve. As an organization dedicated to managing other people's funds, we take pride in continuously learning and improving. We hope that these assessment and reporting tools, along with the feedback we receive, will provide the data and knowledge to advance us both as individuals and as an organization.

Furthermore, we would like to take this opportunity to thank our employees, headquarters, our executives and board of directors who share our vision and work to achieve our mutual goals. While standardized tools for management and assessment are vital for us as an organization, it is our cooperation and teamwork that prove essential in creating a sustainable company that will generate value for all its stakeholders for many years to come.





# OUR CORPORATE RESPONSIBILITY



## Our Approach to Corporate Responsibility

IBI's management values the importance of promoting and implementing social, environmental and ethical considerations in its day-to-day operations. As a company whose core activities center on managing the funds and resources of individuals and organizations, our executive leadership team, employees and staff, are all aware of the needs of our various stakeholders: customers, shareholders, business partners, workers, authorities, competitors, the public, special-needs individuals, etc.

We operate according to the highest standards of integrity, transparency and professional and personal responsibility, offering our customers innovative products that have a beneficial impact on society and the environment, and are actively involved in empowering the third sector by providing assistance to organizations and individuals.

We believe that these standards contribute to improving Israeli society and the overall quality of life, enhance customer and employee faith in the company, strengthen its reputation and serve as a driver for its success.

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## Identifying Stakeholders and Engaging in Dialogue

We believe in balanced and fair business practices, based on transparency and ongoing communication with company stakeholders. Dialogue is an effective tool for guiding the company's business direction, improving our social and financial activities, mapping customer needs and adapting the services we offer to any changes taking place around us.

The stakeholder identification process undertaken in preparation for this report included a review of sustainability reports published by similar companies overseas, analysis of operational interfaces and company interactions, as well as consultations and interviews with company management and employees.

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# IBI Stakeholders and Type of Engagement



## Customers

Direct dialogue as well as customer satisfaction surveys, service platforms on the company's website and the various professional communication channels (newsletters, online meetings during COVID-19 restrictions, private consultations, etc.)



## Suppliers

Informal dialogue between supplier and product/service end-users.



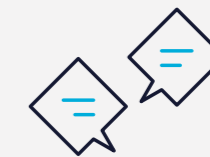
## Governmental Authorities

Through the authority's communication platforms: including the Israel Securities Authority, Israeli Corporations Authority, Israel Tax Authority, and additional regulators.



## Community, Academic and Social Organizations

Ongoing dialogue throughout the year dependent on the specific nature of the collaboration and support.



## Employees

Through employee surveys, ongoing dialogue and various initiatives led by the Group's HR team.



# Corporate Responsibility Initiatives, Principles and Commitment

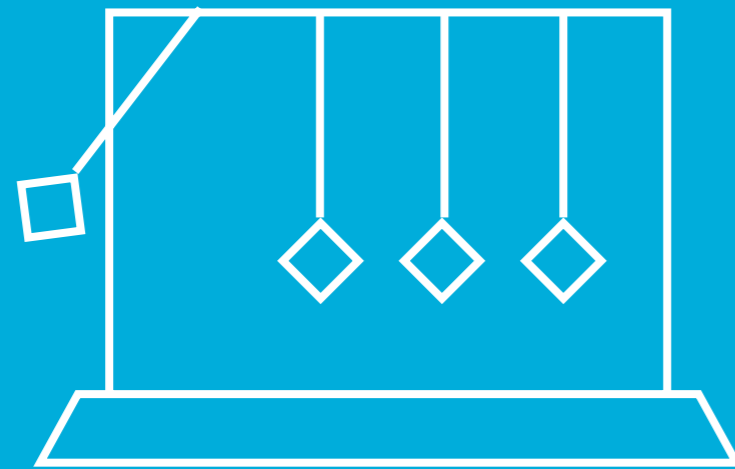
The United Nations defined 17 Sustainable Development Goals (SDGs) adopted through a joint effort by governments, corporations and international organizations intended to be achieved by 2030. A call to end poverty, environmental protection, gender equality, fairness in employment, clean water, waste treatment – are among some of the global challenges addressed by the UN's SDGs.

Some of the world's leading nations such as the United States, China and various members of the European Union actively engage in promoting the economic value inherent in the UN's Development Goals. The COVID-19 pandemic accelerated sustainable investments, including expanding the use of renewable energy, eco-friendly and smart transportation, development and upgrade of water systems, smart and efficient infrastructure, development of a circular economy and additional projects with a strong socio-economic impact.

**Our impact portfolios help support the following goals:**







## The Maala Network

IBI Investment House has been a member of Maala since 2007. Maala is an organization comprised of over 110 of Israel's most prominent corporations, dedicated to promoting corporate responsibility and developing standards of responsible management in Israel. Ms. Elah Alkalay is a member of Maala's Board of Directors and was a long-time member of the organization's public committee.

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**PROMOTING SUSTAINABLE AND INCLUSIVE  
ECONOMIC GROWTH THROUGH THE COMPANY'S  
PRODUCTS AND SERVICES**



In recent years, most public companies have come to realize, albeit to varying degrees, the importance of managing their interactions with various stakeholders - customers, shareholders, employees, suppliers, the environment and aspects of corporate governance - and for good reason. A long list of international studies have consistently shown that managing and minimizing environmental impact, much as implementing responsible management practices at the organizational core, has a positive and significant effect on the company's performance over time.

Institutional investors, hedge funds, investment houses and investment managers have also identified the opportunity to optimize their investments and assess the quality of a company's management and its strategic positioning through a focus on ESG ratings analysis.

What is an ESG rating?

An index rating a company's performance in the following three areas:

**Social:** Criteria evaluating the company's business relationships with its employees, suppliers, customers and additional stakeholder groups

**Environmental:** Criteria evaluating the company's environmental impact

**Corporate Governance:** Criteria evaluating all processes, traditions, policies, laws, institutions and control mechanisms according to which a corporation or organization conducts itself and is managed

A comprehensive rating is achieved using dozens of criteria that enable quantification, measurement and comparison against other companies in the same industry and across different industries. The rating, measurement and comparison provide tools for effective screening of the quality of management in potential investments and evaluation of specific and unique risks, if any.



**Capital invested in companies with a high ESG rating grew by 42% in the past 2 years.**

**the One  
in  
three**

**dollars of assets under professional management invested in companies with sustainable investment strategies.**

**The US Forum for Sustainable and Responsible Investment, November 2020.  
Click here for more information.**

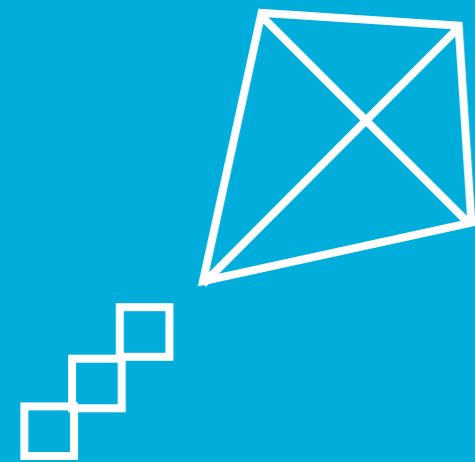
# PROMOTING SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH THROUGH THE COMPANY'S PRODUCTS AND SERVICES

## Investing in a Better Future

Reflecting our commitment to the company's values, among them, responsibility, excellence and innovation, IBI was the country's first investment house to offer its customers the opportunity to invest in an ESG portfolio, training a dedicated investment team to manage this field. For the past three years, our ESG portfolio has been managed through the Greeneye system for ESG rating and analysis.

The economic analysis of these investments is performed by IBI's teams. The company's forum for responsible investments convenes every several weeks to determine investment strategies and new investment opportunities.

The experience gained and access to rating systems allow for an in-depth dialogue among investment managers and our analyst teams, thus carrying a broader impact beyond that of investing in fields and companies with high ESG ratings, or in companies offering advanced and sustainable solutions to social and economic problems.





# IBI ESG Responsible Investment Portfolio

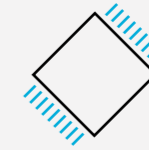
IBI's responsible investment portfolio caters to investors seeking the convergence of traditional investments and sustainability and impact investments. Our ESG investments focus on companies that provide solutions for sustainability challenges such as water, renewable energy and raw materials and on companies well positioned to face a rapidly changing world. We strive to maximize our portfolio performance and minimize risk by double screening investment options, preprocessing ESG signals along with financial risk models.

Investment opportunities are assessed by the analyst teams at Greeneye, a company specializing in evaluating various aspects of social and environmental responsibility of local and foreign companies. Greeneye's analysis is based on the global database of a leading provider in the space, which provides information on thousands of global companies.

The team cross-references data from the various sources, while the investment manager's decision-making is a dynamic and ongoing process in response to market opportunities.

IBI's collaboration with Greeneye generates added value by combining local and global knowledge, a macro-economic perspective combined with a fluency in the particulars of the company or the specific project, and an ability to weigh and offset the positive and negative impacts of companies within a wide range of operational sectors and markets in Israel and worldwide.

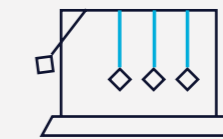
## The Leading Sectors in IBI's ESG Portfolio:



**Technology**



**Renewable Energy**



**Industry and Services**



**Clean Water**



**Financial Services**

## Promoting Financial Literacy: Invest in Yourself – Women’s Financial Forum

Far too many women reach retirement age with less financial resources than those available to their male counterparts. This is true for various reasons: a late start in pension planning, lack of employment continuity due to maternity leaves and child care commitments, lower salary basis – from which social benefit contributions are calculated, and an earlier retirement age that leaves women with fewer years of pension accumulation over a longer life expectancy than that of men. A large percentage of women in Israel have no pension eligibility at all, while specific population groups are in a particularly dire situation.

To bridge this gap, if only by a small fraction, women’s financial literacy is key, providing women with access to basic knowledge of the capital market and supporting an understanding of socioeconomic events. To this end, we established the Invest in Yourself forum, an initiative which seeks to expand women’s knowledge in business and current economic events and thus improve their financial decision-making. In addition, the initiative promotes participation in the socioeconomic discourse and contributes to women’s financial well-being. The forum offers lectures and financial knowledge-sharing, while identifying and providing solutions for the specific financial needs of the participants.

### Invest in Yourself activities include:

- ◆ Quarterly meetings
- ◆ An option for professional financial consultation, providing ongoing financial tools and support
- ◆ A monthly newsletter reviewing various financial topics

## Did you know?

Over half of the world’s women have never owned an investment of any kind.

**A new study by YouGov Omnibus found that in the UK 52% of women have never held an investment product, compared to 37% of men. In addition, only one in five women (21%) currently hold an investment, compared to over a third (35%) of men.**

(YouGov.co.uk)



# Donor-Advised Investments: IBI Community

## – A Smarter, More Effective Way to Give

As part of IBI's unique investment portfolios, we offer our clients a philanthropic investment fund, the first of its kind in Israel, in collaboration with the Keshet Foundation. The fund was established for investors seeking a smart and effective way to manage their charitable contributions. The IBI Community portfolio delivers clear advantages for a wide range of investors, among them maximizing the financial benefits of charitable donations through approved tax credits, an opportunity to plan and manage strategic long-term donations effectively and efficiently, while focusing on the act of giving and avoiding the challenges of bureaucracy.

This activity is based on the DAF (Donor Advised Funds) Model – increasingly popular around the world for donation management – introduced in Israel through the JFN (Jewish Funders Network), KESHET, the Institute for Law and Philanthropy at the Tel Aviv University, Committed to Give – Promoting Israeli Philanthropy, Adv. Ofir Katz and IBI's Elah Alkalay.

The funds for donation are transferred to Keshet against a full tax credit receipt.

### The DAF Process:

- ◆ The donor transfers a donation to Keshet and receives an immediate tax credit
- ◆ Keshet opens an investment account with IBI
- ◆ The donor chooses an investment policy under the relevant Tax Authority restrictions
- ◆ IBI manages the investment portfolio under the defined policy, investment terms, cashflow requirements and under the guidelines of Keshet's investment commitment
- ◆ Donation strategies are formulated over time and periodic allocations are made to the selected NPOs (subject to the restrictions of the Tax Authority)

### The Advantages of a Managed Philanthropic Portfolio:

- ◆ Immediate tax credit
- ◆ The flexibility to donate more in years with greater income
- ◆ The ability to allocate the donation without time constraints
- ◆ Capital gains tax exemption
- ◆ Comprehensive management of logistic issues (transfers, foreign currency exchange, reporting)
- ◆ An ideal platform for involving family members in the giving process
- ◆ Options for an anonymous or a fully disclosed donation





# CUSTOMERS AND SERVICE



## Our Service

IBI recognizes that our customers entrust us with their savings and financial resources. We are committed to upholding this trust by remaining tuned to the dynamics of the capital markets and closely following our the changing needs of our customers, with the aim of providing the most comprehensive and optimal financial services at any given time.

Our core values of integrity, fairness and professionalism are reflected in our unrivaled customer service at any point in time, regardless of the changing returns of our investment products, the competitive environment or other business factors that are within the scope of our influence and capabilities.

We are committed to maintaining transparency within the company and towards our clients, including full disclosure in the event of a conflict of interest. We work out of a sense of mission and are committed to doing everything in our power to justify the continued trust our customers have placed in us as the firm that manages their personal savings and funds, benefit plans, capital raising needs, access to capital markets, exposure to relevant deals and any credit needs.

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## Service Values and Customer

IBI Investment House and its subsidiaries offer various services to different customer segments: trade, brokerage and custodian services for institutionals, foreign investment firms, corporations, accredited and private investors. We provide all our customers with uncompromising service based on our core values as they appear in our Code of Ethics: integrity, fairness, transparency, professionalism and excellence.

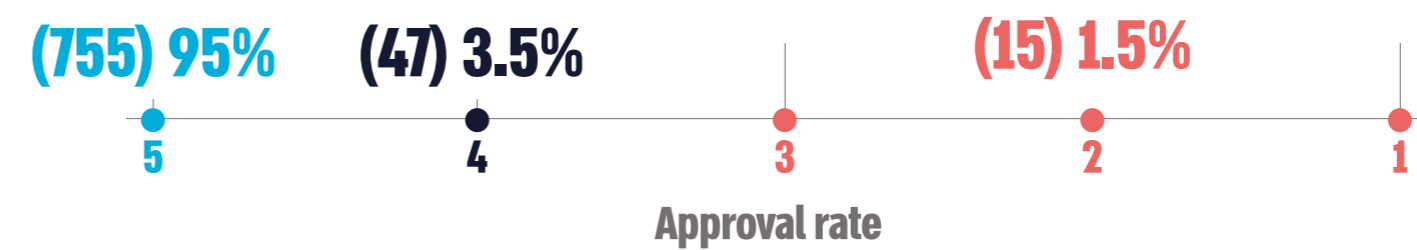
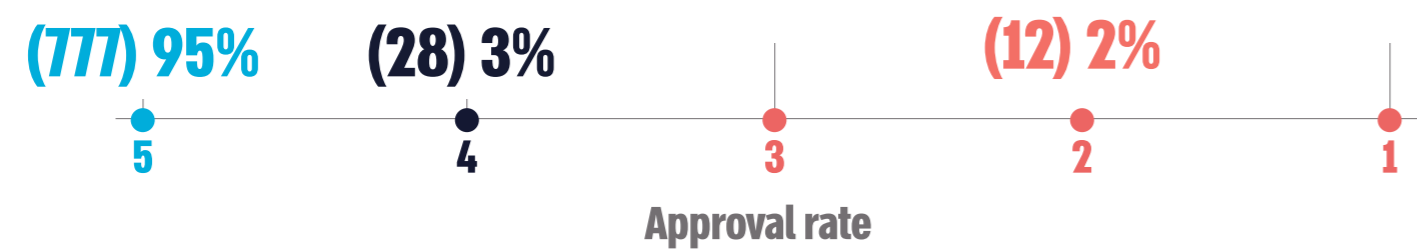
A key approach for evaluating our success in meeting the standards we have set is through comprehensive feedback received from customer satisfaction surveys. One such a survey was conducted in April 2020 comprising over 800 English- and Hebrew-speaking customers.

The survey was designed to determine the degree of customer satisfaction from the various services provided in two main categories – service orientation and courtesy, and professionalism.

We are proud of the survey results: 95% of the respondents awarded our service orientation and courtesy with the highest score (5 out of 5), while 3.5% awarded us with 4 out of 5 points. In the professionalism category, 92.5% of respondents awarded us with the highest possible score, with the additional 6% awarding us 4 out of 5 points.

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# Customer Satisfaction, April 2020





# Service Accessibility

## Site and Service Accessibility at IBI Investment House:

Persons with disabilities are an integral part of society and are entitled to accessible services and facilities. IBI Investment House has made its offices physically accessible for persons with disability according to the continuum principle. In addition, IBI's website is accessible to all users, and the company can provide immediate access to any material requested by a person with disabilities tailored to their needs.

Furthermore, due to the significance of this matter, the company issued an Accessibility for Persons with Disability Procedure. This procedure applies to all services provided by the company to people with various disabilities and is distributed to all our employees once a year.

IBI Investment House has designated an accessibility coordinator, responsible, among other matters, for:

- ◆ Making necessary accessibility adjustments, advising company employees on providing service to persons with disabilities, including the use and maintenance of assistive devices, providing or ordering assistive services.
- ◆ Informing the public on any efforts taken to improve company accessibility, including the location of any adjustments made and assistive devices and services that can be received from the company upon request.
- ◆ Writing accessibility procedures and amending existing procedures as needed.
- ◆ Developing training materials and other resources on service accessibility issues for new and current employees in coordination with the HR Department.
- ◆ Monitoring and reporting on the organization's accessibility status to company management on an annual basis.
- ◆ Conducting periodic evaluations of the accessibility of the company's facilities and services and their compliance with legal regulations (at least once every 5 years from the date adaptations were completed). Such evaluations are made in accordance with the law.

# Information Security and Privacy

The company and its subsidiaries make use of computerized systems to store data and provide services to our customers as part of our ongoing operations. Information systems are integral to our company's business activities yet there are growing global concerns over potential cyber-attacks that may prove a threat to these systems: technological risks, exposure to fraud, embezzlements and cyber-crimes, hacking sensitive databases and compromising customer or employee privacy, and data loss. Intra-organizational threats include unauthorized access to compartmentalized information, theft of computing equipment, leakage of sensitive information due to noncompliance with information security guidelines and procedures, etc.

To minimize these threats, the company implements a broad risk management policy that includes a variety of information security measures and preventative protocols, according to the level of risk and sensitivity to each such threat. The company's information security

system, including a disaster recovery plan and data recovery strategy, is implemented in accordance with the various operations of the IBI group and in line with the regulation applicable to the group's companies, among them the Tel Aviv Stock Exchange Rules and Regulations as well as its guidelines on the management of information technology in non-bank stock exchange members, the Protection of Privacy Law, Privacy Protection (Data Security) Regulations, and the Israel Securities Authority directives.

In addressing these threats, the company has implemented technological solutions and processes designed to improve its cyber-risk monitoring, prevention and control capabilities. In addition, the company conducts regular security audits and is committed to ensuring data integrity through an independent third party. All audit reports are presented to management and reviewed by the Information Security Manager and the IT Department.





## Public Inquiries

We have implemented various direct channels of communication for our customer in an effort to respond to any complaints or requests related to funds managed by IBI Mutual Funds Ltd., and related to accounts at Israel Brokerage & Investments - IBI Ltd. In these matters, customers may contact Adv. Oren Ofek, Deputy CEO and Chief Legal Counsel, responsible for public inquiries. Contact information is provided on our website and here.

For other matters, please contact us through the communication channels listed on our website. Visit our home page here.



# COMMUNITY OUTREACH





# Community Outreach and Volunteering

At IBI we believe in the corporate sector's ability and duty to promote a healthy, thriving community. Thus, we support a wide variety of organizations that promote social initiatives in ways that align with our company's values and social policy. Our community involvement and support is achieved through both employee volunteering and financial contributions.

For the past several years, a dedicated team of employees has been working to assist our Social Responsibility Officer in implementing the company's social policy. The team is responsible for reviewing the various social initiatives suggested by company employees and choosing those that correspond with company-defined and Board-approved criteria.

Company employees who wish to volunteer for social causes they care for may do so, at times even during work hours.

## Community Engagement through 2019-2020:

- ◆ Support of an organization for disabled youth
- ◆ Purchase of holiday and special occasion gifts from an organization employing senior citizens
- ◆ Support organizations for at-risk youth
- ◆ Distribution of food packages in Tel Aviv by our volunteer employees for Rosh Hashanah and Passover
- ◆ Promotion of women's financial literacy
- ◆ Approximately 5% of our employees participated in volunteer activities – including one-time projects, contributing 1,166 volunteer hours in 2019, of which 525 hours on company time.
- ◆ In wake of the COVID-19 pandemic, volunteer activity declined in 2020.

## In 2019 and 2020, IBI Investment House donated NIS 748,000 and NIS 896,000, respectively.

In an effort to achieve our social targets, the company has a predetermined annual donation budget set by management and subject to our annual operational performance.

Our social responsibility team implements various programs to support social organizations through employee volunteering and charitable contributions.

The following is a partial list of organizations we have supported in the reported period:

**Music center in the city of Lod** – launch and ongoing operation of a music center supported through a financial endowment

**Batsheva Dance Company** – volunteer work by a member of our management and annual financial support

**Physicians for Human Rights** – annual financial support

**TIKVOT:** a non-profit organization for the rehabilitation of disabled IDF veterans through sports – financial support

**Amichai:** an Israeli nonprofit organization for the welfare of children and adolescents with developmental disabilities – financial support and employee volunteering

**The Jaffa Institute:** a multi-service social agency for assisting Jaffa's disadvantaged children and their families – financial support and food package distribution during the holidays

**KenLaZaken: Yes! to Seniors,** an organization that works to promote and improve the rights of senior citizens in Israel – annual financial support

**Mesila:** an organization for the support of asylum seekers living in Israel – annual financial support

**First Hug:** the Association for the Care of Abandoned Babies – annual financial support

**Zalul:** environmental organization with the goal of protecting Israel's seas and rivers – annual financial support and employee volunteering

**Association of Rape Crisis Centers in Israel:** annual financial support and employee volunteering

**Hillel:** an organization for support of those leaving ultra-Orthodox communities in Israel – annual financial support

**El Kav Hagova:** organization for children living in the Talpiot Children's Village – annual financial support and employee volunteering

**Nirim:** Youth empowerment – annual financial support

**Darna:** Youth empowerment – annual financial support

**Desert Stars:** Promoting Bedouin youth – annual financial support

**Eden:** Association for the Empowerment of Women – annual financial support

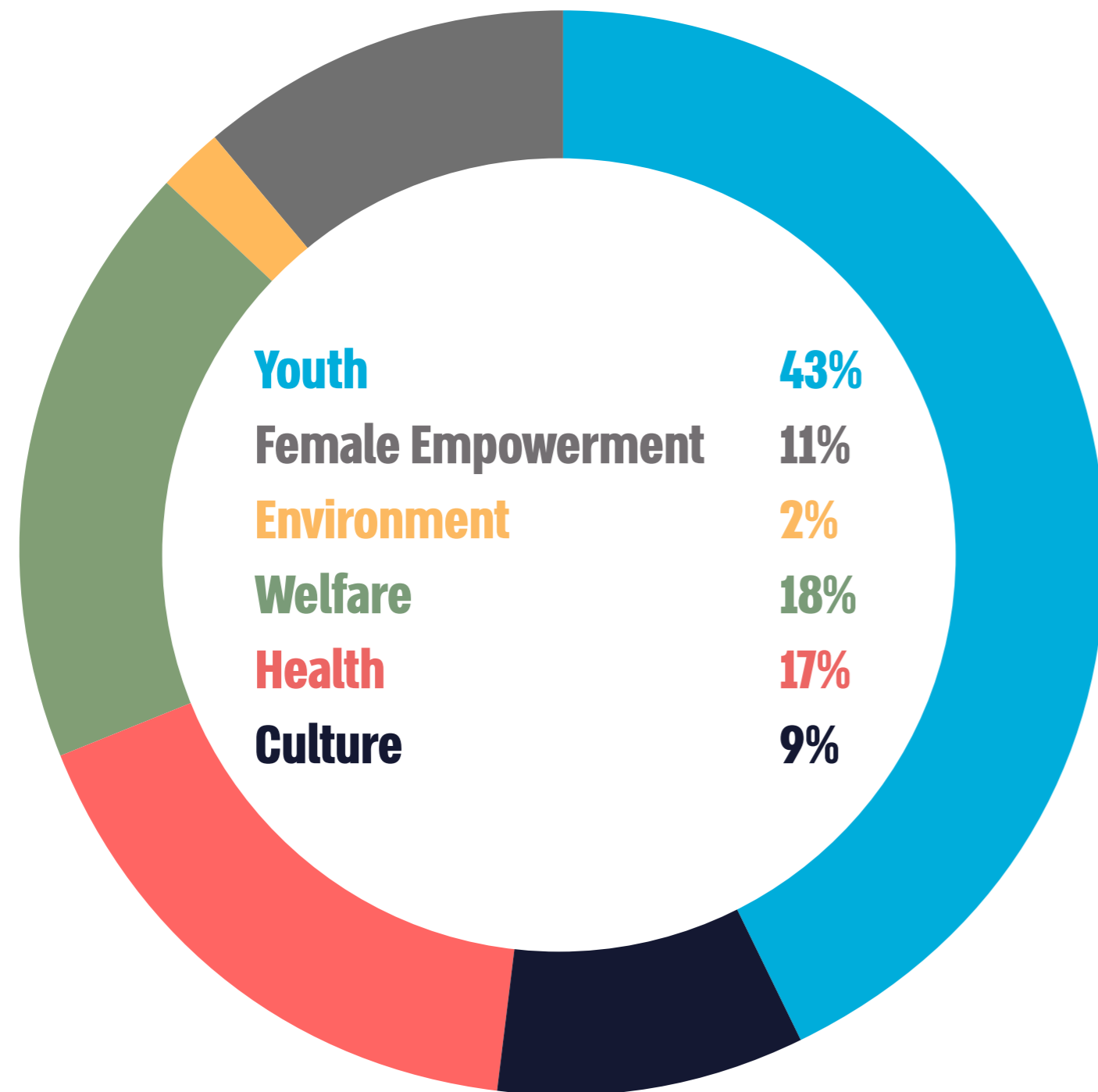
**Hadassah Neurim Youth Village:** financial support and employee volunteering

**Hapoel Tel-Aviv Basketball:** Endowment to Rogozin School – financial support

**Sapir College** – annual student scholarships



## Donations by Category, 2020



## Dialogue with our Social Partners

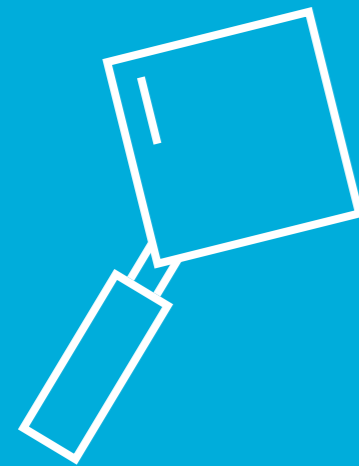
We are committed to engaging in a constructive discussion with the organizations and associations we support both through an informal, ongoing dialogue as our employee and management volunteers learn of the various needs directly from the source, and through donations and/or partnership proposals submitted to IBI Investment House. Such proposals initiate a dialogue from which we learn about the organization and the challenges it faces.

Organizations wishing to submit a proposal for financial contributions and support are invited to contact Ms. Lily Levan, Social Responsibility Officer: [lily@ibi.co.il](mailto:lily@ibi.co.il)



# ETHICS AND CORPORATE GOVERNANCE





## Ethics Policy

IBI's vision is to become the leader in innovative investment services solutions tailored to our clients' needs, while remaining guided by our ethics and core values.

We are committed to strict compliance with all legal and regulatory directives, laws and professional obligations that apply to our operations, while our Code of Ethics serves as an additional standard of moral and ethical practice, guiding our organization and its employees.

We believe that our commitment to ethical conduct and the uncompromising way in which we manage the various ethical issues facing us as an organization have played an active role in our success thus far. We will continue to serve our clients with integrity and professionalism and without prejudice, providing quality, efficient and reliable investment services. The company and its employees strive for excellence across all areas of the group's operations, and adopt norms of continuous learning and development, honing the skills and knowledge accrued.

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# CODE OF ETHICS

In 2019 an updated Code of Ethics was approved by our management and Board of Directors, reflecting the developments in the company's business activity. Our organization's four core values have been underpinned by specific principles of conduct according to our various stakeholders: employees, suppliers, customers, shareholders, our community and the environment. Several existing sections were expanded and new sections were added, among them practical strategies for ethical decision making.

We encourage IBI employees to raise ethical issues with their direct superior or with the company's Organizational Ethics Supervisor who may be reached for any ethics-related incident by phone, email, or multiple anonymous suggestion boxes located throughout our offices. As part of our pledge to conducting a comprehensive review, each incident is conveyed to our Chief Risk Officer, HR Manager and Internal Auditor, regardless of the means through which it was reported.



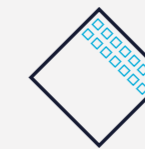
# Our Core Values



**Professionalism  
and Teamwork**



**Integrity and  
Fairness**



**Transparency**



**Innovation and  
Excellence**



In January 2020, the Company conducted its first ethics survey among employees. The survey was conducted by the Internal Audit Department based on responses from over 135 employees. The anonymous survey measured various aspects of organizational culture and awareness of organizational reporting and consulting channels.

**87%**

of respondents were familiar with the organizational Code of Ethics

**88%**

confirmed that they had received information from their company's management regarding the importance of maintaining the highest ethical standards

**98.5%**

responded that they are aware of the ethical conduct expected of them

**89%**

believe that non-compliant employees will be exposed

No ethical issues or concerns were raised during the reporting period.

**“The Code of Ethics reflects IBI’s ethical values and serves as a moral compass guiding our business practices and proper conduct within the dynamic environment in which we operate. The Code of Ethics invites us to ask the right questions, evaluate our options and select the course of action that best resolves an ethical or moral dilemma.”**



**Coral Avner, Company Secretary,  
Code of Ethics Supervisor**

# Legal Proceedings

On December 24, 2017, a motion to certify a class action was filed against the company, Poalim I.B.I and several of its officers, alleging misleading statements in the company's reports concerning the nature of cooperation between the company and IPO consultants Rafi Lipa and Gal Amit ("the consultants"). According to the claim, the company did not disclose details regarding the consultants or the alleged cooperation (claimed to be material), terms of the cooperation, the alleged dependence of the company on this cooperation, etc. On February 21, 2021, a settlement agreement was submitted for approval to the Tel Aviv District Court, under which the amount of NIS 6.8 million will be paid to eligible claimants. The settlement agreement was approved by the court on May 19, 2021.

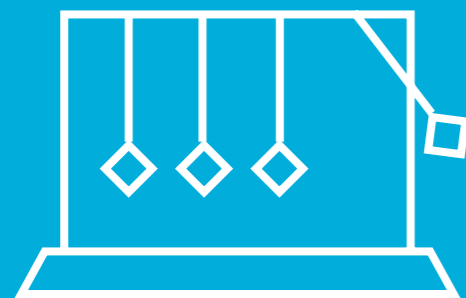
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## Stock Exchange Services Credit Event ("Credit Event")

In 2018, IBI enabled eight independent clients to short the VIX index. Following this activity, between February 5, 2018 and February 6, 2018, the clients' leveraged accounts accumulated losses of NIS 35,486,500 by the time the position closed at the end of the trading day. Several legal proceedings are currently in progress as a result of this event.

For further information regarding legal proceedings, see the company's 2020 periodic report as published on the MAYA website of the Tel Aviv Stock Exchange on March 25, 2021.





## Corporate Governance Policy

The Board of Directors is responsible for developing the company's policies and defining its strategy, is in charge of approving the company's financial statements and assessing its financial position as well as overseeing the CEO's functions and performance. The Board of Directors acts in accordance with the powers determined by the Companies Law and pursuant to binding procedures.

Proper corporate governance is fundamental to our business activities and our sustainability approach, and we are committed to applying and complying with the highest standards of competence in this area, as expected from us by our customers and other stakeholders.

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# The Board of Directors and Committees

In 2020 the Company's Board consisted of 7 members:

**Mr. David Weisberg** – Chairman of the Board

**Mr. Iddo Dov Kook** – Vice Chairman

**Mr. Oren Hanuka** – Chairman of the Audit Committee\*

**Ms. Betty Metzger Levi** – Audit Committee

**Mr. Rani Haj Yahya** – Audit Committee

**Ms. Elah Alkalay**

**Mr. Gideon Freitag** – Audit Committee

The Board of Directors met six times in 2020 and passed one written Board resolution.

In addition to regular Board meetings, three committees convened over the course of the year: Audit Committee, Balance Sheet Committee, Remuneration Committee. These committees were chaired by Gideon Freitag, Rani Haj Yahya, Oren Hanuka and Betty Metzger Levi, who attended 100% of the meetings convened.

\* In 2021, Ms. Rina Shafir was appointed to replace Oren Hanuka on the Board of Directors

3

External  
Directors

3

Directors with  
Accounting  
and Financial  
Expertise

4

Directors are  
Members  
of the Audit  
Committee

28%

of our Board  
Members are  
Women



## Board Diversity

In 2020 we set a target to improve our Board of Directors selection process and enhance the Board's gender and professional diversity. During the year, a nominating committee consisting of the Company Secretary and Board representatives was established to consider new candidates. The process began by defining the required qualification of directors and establishing criteria for Board diversity. Various candidates fitting the required profile were considered, and Ms. Rina Shafir was selected as an external director. We are committed to implementing a similar selection process with every future change to the Boards of Directors of the company and its subsidiaries.

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## Board of Directors Training

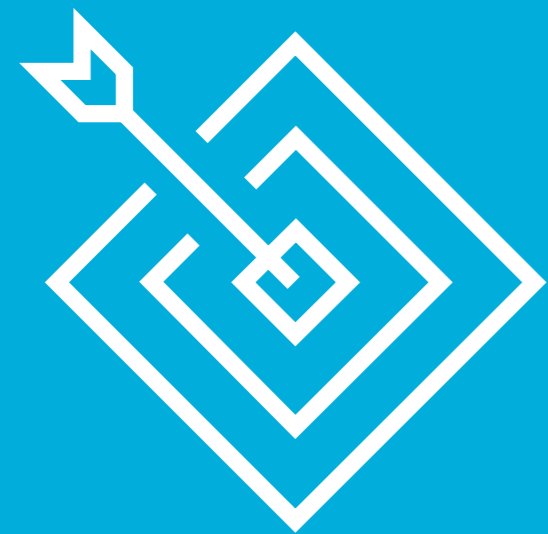
The Board of Directors is responsible for setting the Company's strategy and overseeing its management, which serves as the Company's executive arm. Now, more than ever, directors and position holders must possess a proven educational and professional track record in law, finance, accounting, economics and management, and have relevant skills and practical tools. This is done to ensure that they are able to conduct meetings, pilot initiatives, and exercise reasonable and prudent judgment in making the most appropriate business decisions for the company.

Furthermore, company directors and officers must consistently remain current on all regulatory requirements and become familiar with the rules of corporate governance, as they are subject by law to a fiduciary duty and the duty of care towards all interested parties in the company.

In an effort to meet the above targets, the company implements an annual directors training program for current and potential directors. The program is designed to impart, enhance and expand the skills and expertise essential for successfully achieving the company's objectives, while integrating theoretical knowledge and its pragmatic application within the company, enabling the directors to perform their duties and responsibilities optimally for the benefit of the company and its shareholders.

Due to the onset of COVID-19 and the transition to online meetings, only two director training sessions were held in 2020. Nevertheless, four training sessions were held in the first six months of 2021, with further sessions scheduled to take place by the end of the year.

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## Evaluating the Board's Effectiveness

The effectiveness of the Board's performance is evaluated internally on an annual basis. The Board of Directors discusses the findings that emerge from the evaluation process.

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## Communicating Critical Information to the Board of Directors

The Board discusses a variety of topics. Some matters are discussed in accordance to regulations and the provisions of the law, while others are added to the agenda as the business need arises. The Board of Directors addresses the approval of interim and annual financial statements and receives regular reports from the relevant professional functions on matters such as potential investments, company acquisitions, establishing/acquiring operations, subsidiary development, and more. The Company Secretary is responsible for setting the Board's agenda.

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# Corporate Responsibility Management

IBI's Board of Directors is responsible for guiding the course of the company, determining corporate strategy and ensuring the company's financial resilience. The Board sets the corporate strategy while considering industry trends, challenges, opportunities and risks.

Corporate responsibility is tightly integrated into every aspect of the company's management and is an integral component of its ongoing operations. The group's management is responsible for promoting various aspects of corporate responsibility in each division.

As the company's collective governing body responsible for overall management of the its business, the Board of Directors has approved the Company's 2021 corporate responsibility policy, its annual work plan and budget, etc. The Board will monitor the company's performance in terms of sustainability and corporate responsibility through the assistance of Board member and Head of Corporate Responsibility, Ms. Elah Alkalay, and through an ongoing review of the company's operations.

## Risk Management

Through the normal course of our business, IBI is exposed to various financial risks: market risks (including currency exchange risk, equity price risk and interest rate risk), credit risk, balance sheet/nostro risk and liquidity risk. As a company entrusted with maximizing returns and asset values for its clients, we recognize the tremendous responsibility resting on our shoulders. Be it life savings, retirement funds or others – these assets always play an important role in our clients' lives and protecting the value of these assets is our highest priority. To this end, we consistently develop, implement and enhance our computational models and procedures.

Managing financial risks requires an understanding of the nature of the risk, the scenarios that can lead to its materialization and the possible consequences. Once these are defined, we can attempt to measure the risk and quantify that measurement, deciding on the appropriate methodology. Finally, we identify the parties who must be alerted and the operating procedures in case there is an indication of such risk.

There are numerous acceptable models in the world of risk management, each with its own specific features that render it suitable for different products or market conditions. At IBI Investment House, risk exposure is managed through a comprehensive set of policies, ongoing reviews, monitoring a broad scope of parameters and indicators across the range of products and global markets in order to identify potential risks or an increase in risk probability at the earliest possible stage. In accordance with procedures, these are communicated in regular risk reports and attended to by management and parties defined as relevant. For example, nostro investment policies (the company's own assets) are established and controlled by the Board, with the Vice Chairman of the Board and the Company's CEO closely monitoring the investment portfolios and risk exposures. Reports are communicated in a concise, informative manner (dashboard reporting) in an effort to combine professionalism and managerial operative efficiency.

# Good Governance

## Remuneration Policy

IBI's Remuneration Policy reflects the principles applicable to the remuneration of the company's officers, including controlling shareholders and their relatives. This policy applies to all remuneration paid by the company as it was approved by the General Shareholders' Meeting in December 2019. The policy is available in its entirety on the Tel Aviv Stock Exchange MAYA website.

## Preventing Corruption, Embezzlement and Fraud

The company's directors 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 Commissioner. In order to ensure the segregation of the executive functions and supervisory functions, IBI's Chairman of the Board does not serve as the group's CEO.

As a financial body, we hold the utmost responsibility for preventing corruption, embezzlement and fraud both by internal parties within the company, such as officers and employees, and by external parties, including pension advisors, agents and suppliers. In an effort to contend with these threats, IBI Investment House maintains a systematic framework for preventing, detecting, reporting and mitigating the potential consequences of such events. This policy is defined in the company's work procedures and Code of Ethics, guiding company employees on issues such as conduct, discipline, and work ethics. To facilitate the integration of the procedures within the group, all new employees are required to use the educational software on embezzlement and fraud prevention, and a refresher e-mail on the subject is distributed to all employees once a year.

## Preventing Conflict of Interest

We believe and operate in complete transparency in-house and towards our customers. Beyond the legal obligations imposed upon us, we actively seek to prevent any conflict of interest. If such concern is raised, we will inform the involved parties and act in complete transparency in accordance with company procedures. If a conflict of interest affects our customer, we will act only after receiving the customer's authorization and ensure that any resulting transaction is in the customer's favor.





### **Anti-Money Laundering**

The Prohibition of Money Laundering Law, 5760-2000 ("the Prohibition of Money Laundering Law") and its directives was enacted to help contend with money laundering, defined as a transaction with prohibited property, i.e. property originating directly or indirectly in an offense (defined as an original offense according to the Prohibition of Money Laundering Law) or property used to commit an offense or enable the commission of an offense. Members of the Stock Exchange are subject to the provisions of the Prohibition of Money Laundering Law and its directives by virtue of which they are required to identify their customers, verify their details, and monitor and report irregular activity in their accounts. IBI Investment House invests significant resources in order to comply with these obligations.

### **Internal Enforcement Program**

Striving to develop and improve its organizational compliance and enforcement framework, IBI Investment House has adopted an internal enforcement program in accordance with the principles and criteria established by the Israel Securities Authority. As such, the company continuously conducts risk and compliance assessments in some of the group's companies, along with ongoing integration of the provisions of the law and continued specification and formulation of work procedures. In this context, changes are made from time to time in the structure of the group's enforcement program as well as in the responsibilities of the enforcement officer. The Company's internal enforcement program is led by our enforcement officer, Ms. Ravit Danin, a company employee who has held this role since 2019. The internal enforcement program was established by our enforcement officer in collaboration with the company's CEO and was approved by the Board of Directors.

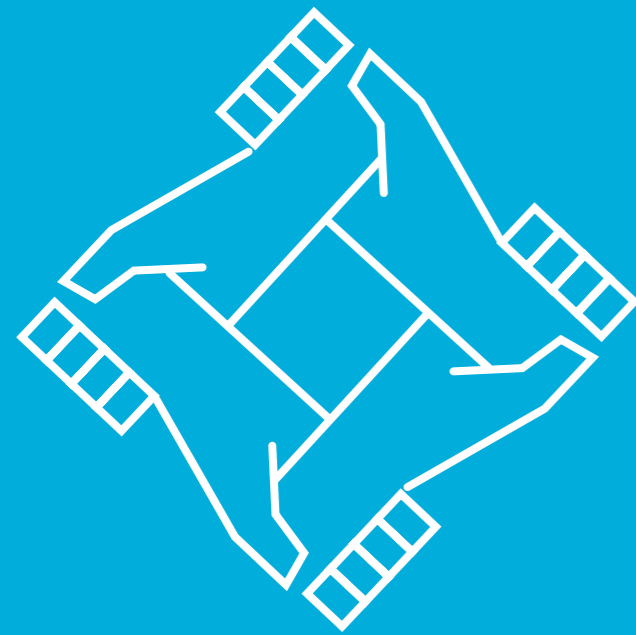
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# EMPLOYEES AND WORK ENVIRONMENT





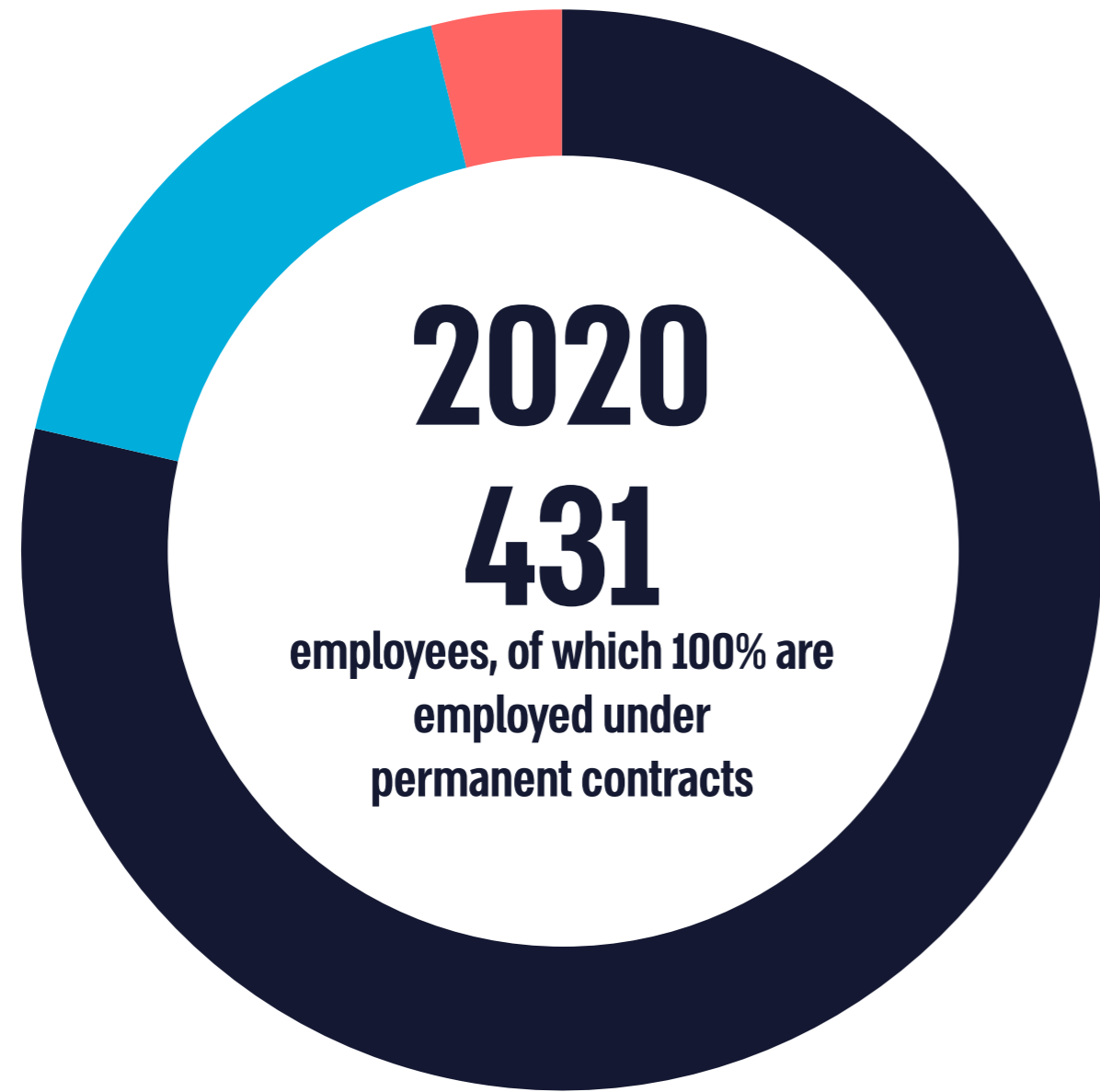
## Nurturing Human Capital

At IBI Investment House we place a firm emphasis on the quality of our human resources, creating a pleasant work environment, motivating and enhancing employee loyalty and forming long-lasting work relationships. To ensure our success, we have expanded and developed our Human Resources Department, invested in upgrading the physical work environment and extended the services available to our employees even beyond regular working hours. Furthermore, the group's unwavering commitment to professionalism and the highest level of customer service leads us to conduct regular employee training programs tailored to our operational segments.

As part of the Internal Enforcement Program, the company invests considerable resources in employee training addressing various regulatory issues, including compliance and new regulations in the field, as well as in various activities for the benefit of our employees.

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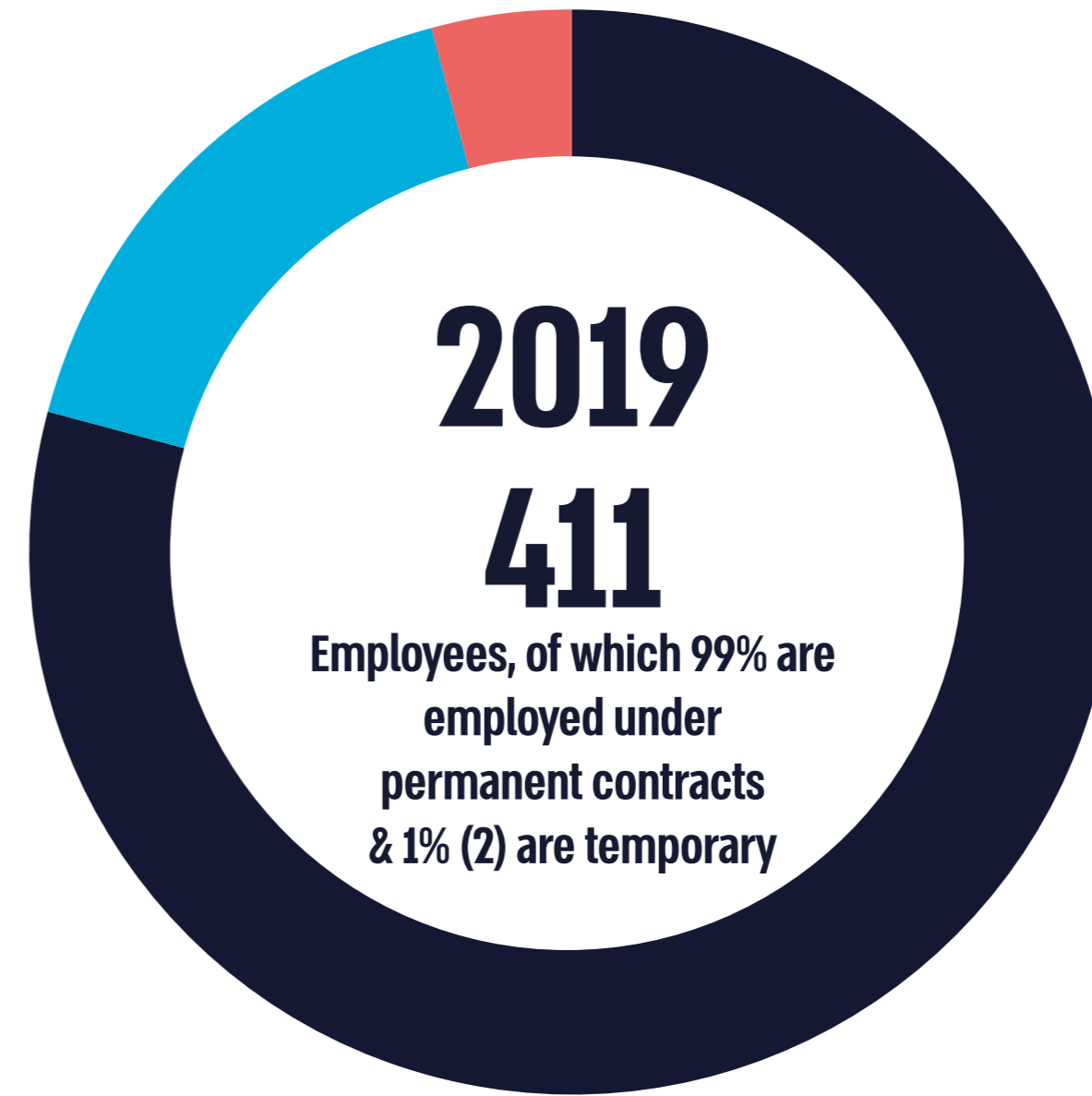
# Employee Distribution by Rank 2019-2020



**(338) 78.5%**  
Low-level management and/or non-managerial

**(75) 17.4%**  
Mid-management positions

**(18) 4.1%**  
Executive management



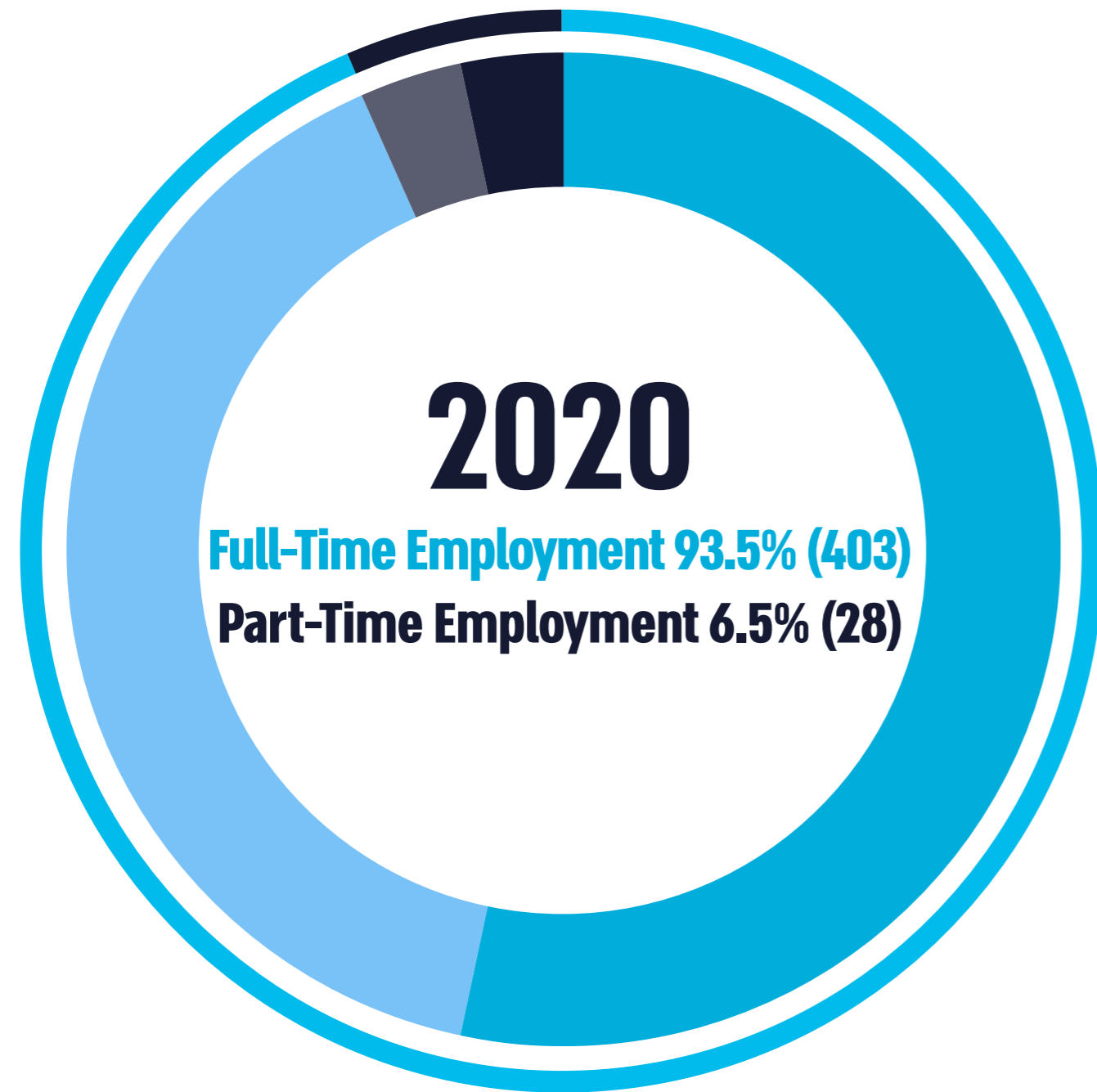
**(324) 79%**  
Low-level management and/or non-managerial

**(69) 16.7%**  
Mid-management

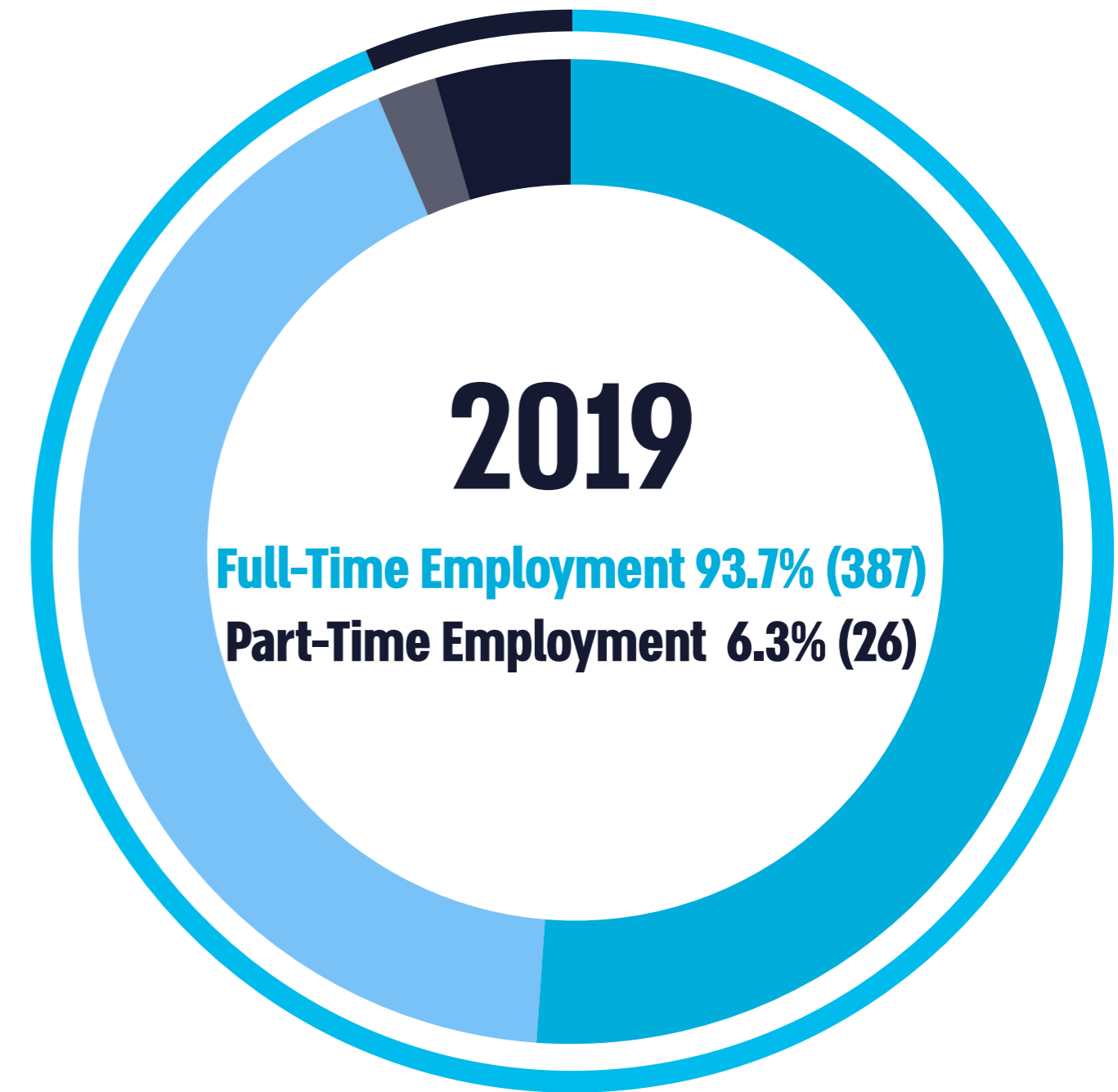
**(18) 4.3%**  
Executive management



# Employee Distribution by Gender 2019-2020

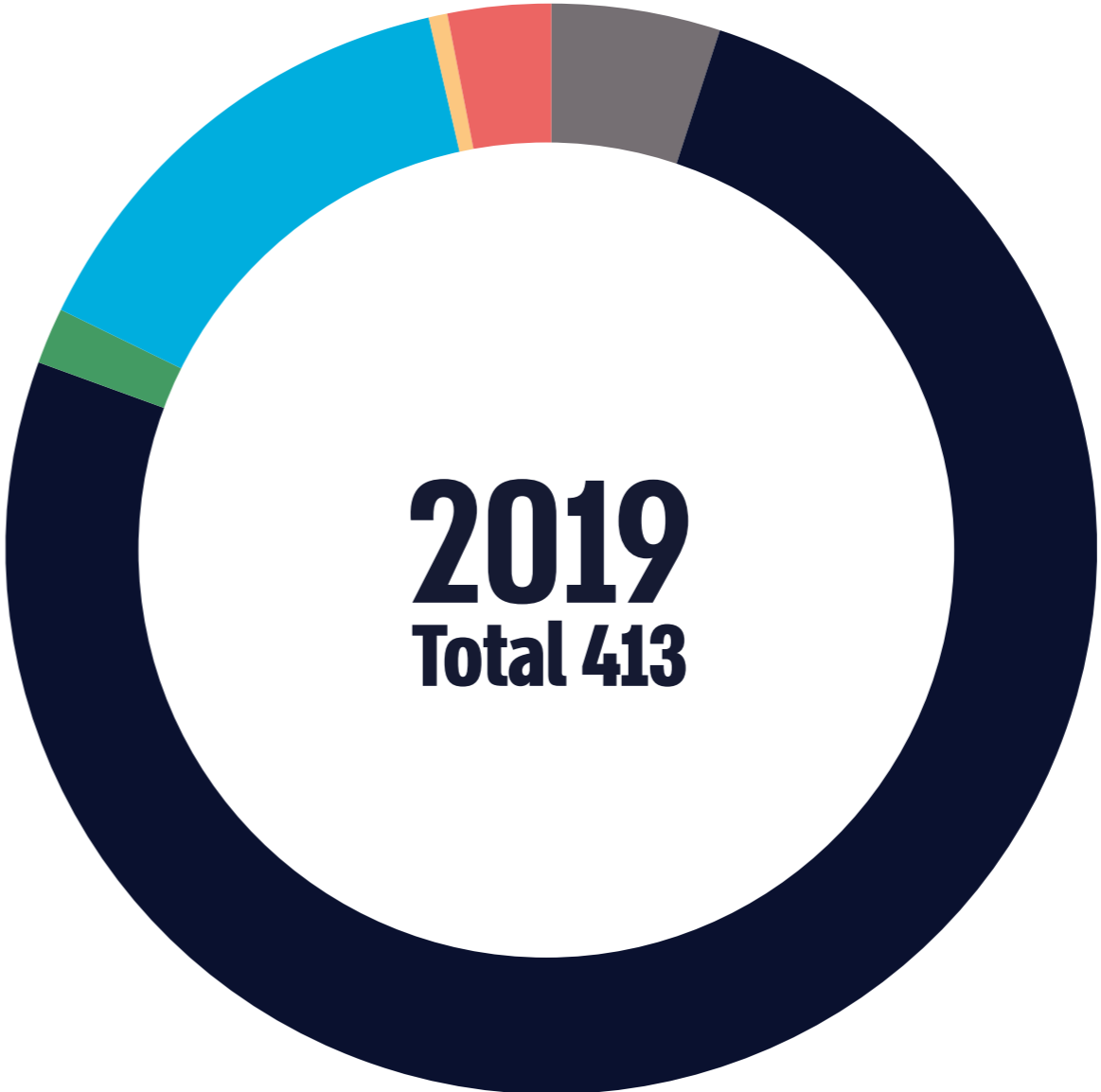
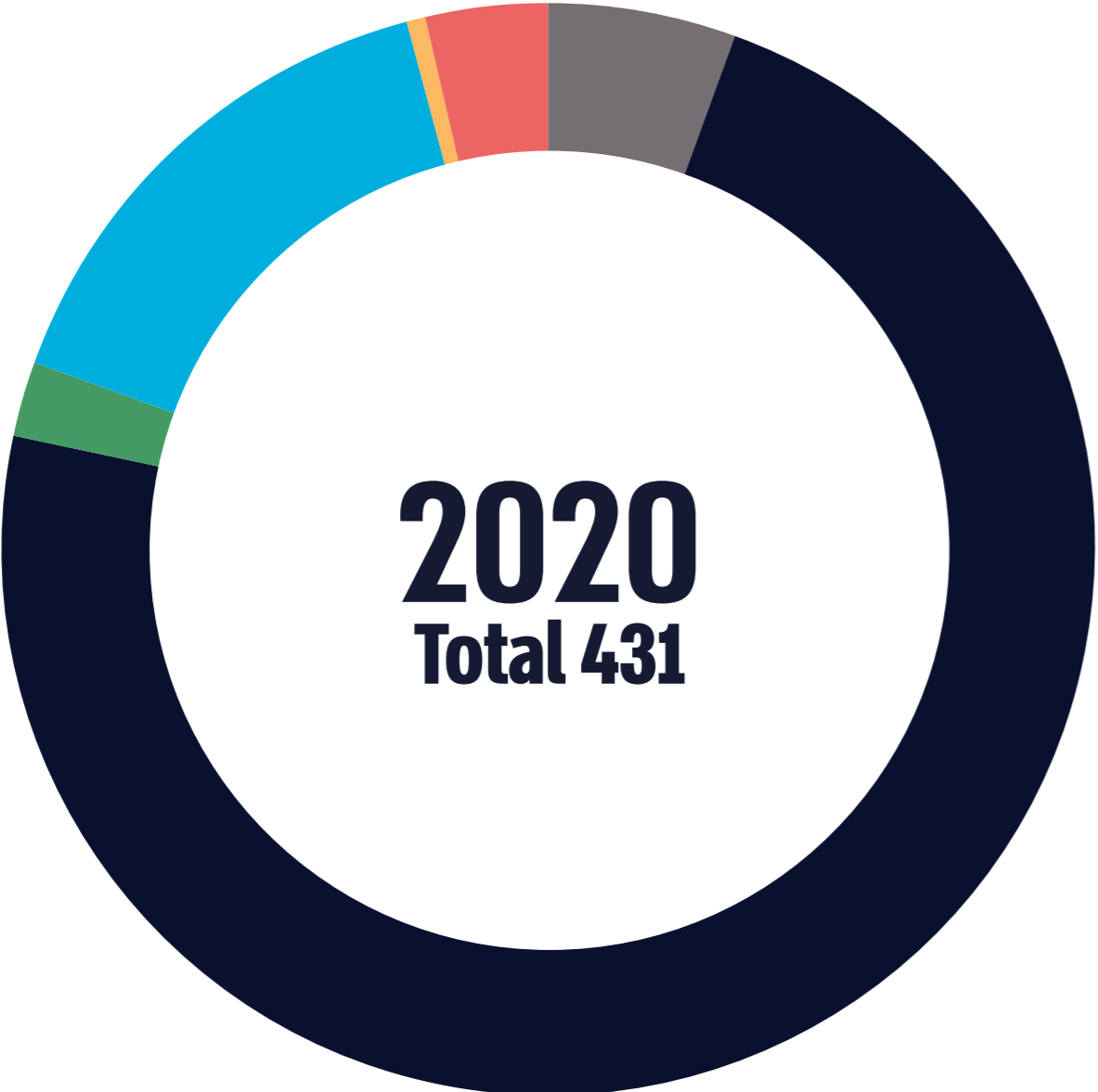


**(14) 50%** Women Part-Time Employment | **(14) 50%** Men Part-Time Employment | **(173) 43%** Women Full-Time Employment | **(230) 57%** Men Full-Time Employment



**(8) 31%** Women Part-Time Employment | **(18) 69%** Men Part-Time Employment | **(175) 45%** Women Full-Time Employment | **(212) 55%** Men Full-Time Employment

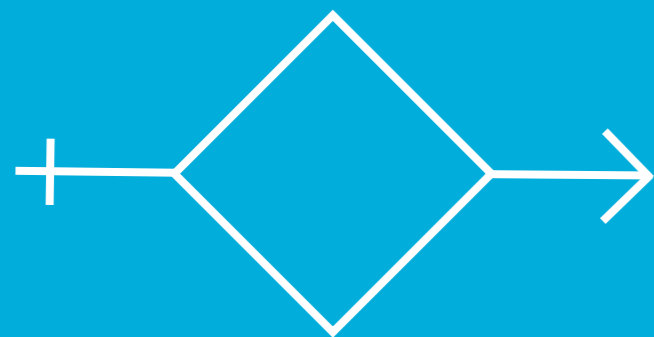
# Employee Geographic Distribution 2019-2020



<b>3</b> Negev and the Southern District	<b>16</b> Northern District	<b>10</b> Jerusalem and its surroundings	<b>23</b> Ashdod and its surroundings	<b>65</b> Sharon Region	<b>314</b> Tel Aviv and the Central Dan Region
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<b>3</b> Negev and the Southern District	<b>13</b> Northern District	<b>7</b> Jerusalem and its surroundings	<b>20</b> Ashdod and its surroundings	<b>58</b> Sharon Region	<b>312</b> Tel Aviv and the Central Dan Region
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## Workplace Diversity and Equal Opportunity

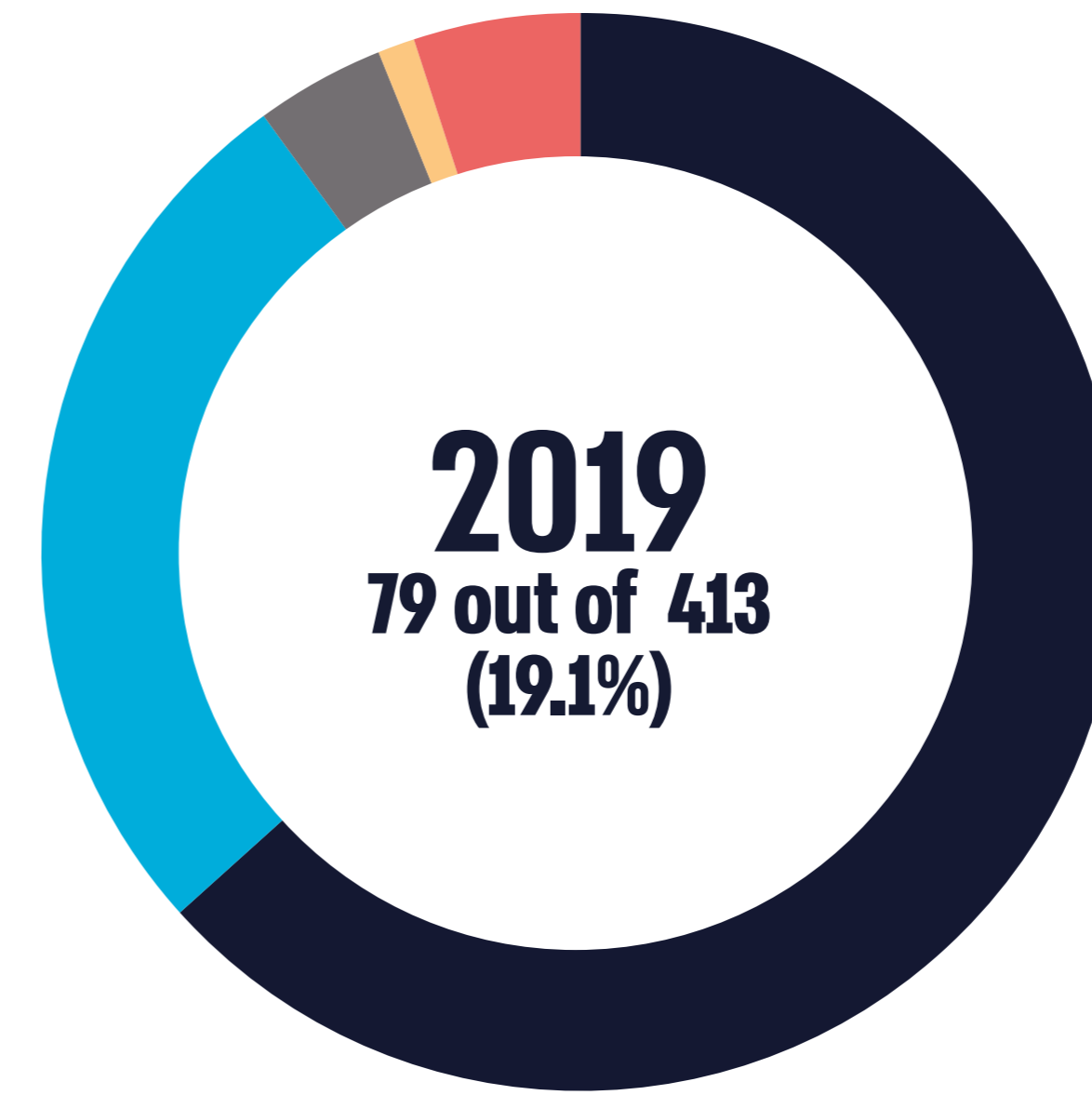
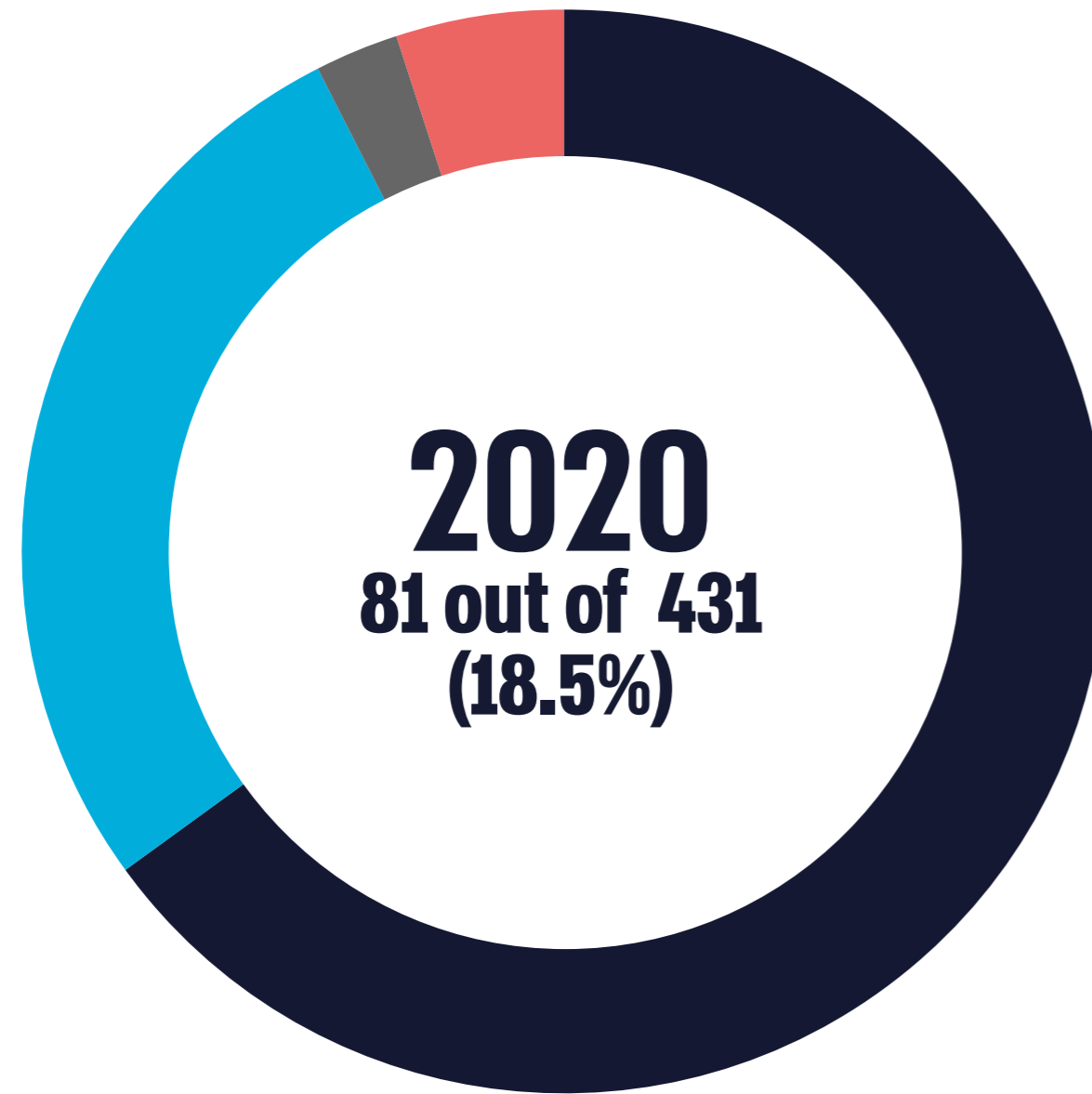
Israeli society is highly diverse, and we at IBI Investment House believe this serves to support our business performance, enables us to foster creativity and innovation and allows us to enjoy a variety of opinions, perspectives, skill sets and abilities. Equally important, diverse employment contributes to the Israeli economy and promotes equal opportunity and social justice - values we consistently champion.

We invest significant effort in preventing workplace discrimination of any kind: gender, race, ethnicity, cultural background, age, disability, political affiliation, nationality or sexual orientation. To this end we offer training courses and promote employment diversity through companies and organizations specializing in diverse recruitment.

In May 2021, the company's Board of Directors determined that it must take further action to improve workplace diversity and report on its progress in this regard on a semi-annual basis.



# Employment Diversity: Employment of Underemployed Population 2019-2020



<b>4</b> Ethiopian descent	<b>1</b> Orthodox Jews	<b>2</b> Arabs, Druze and Circassians	<b>22</b> Special needs	<b>52</b> Over 50
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<b>4</b> Ethiopian descent	<b>1</b> Orthodox Jews	<b>3</b> Arabs, Druze and Circassians	<b>21</b> Special needs	<b>50</b> Over 50
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## Integrating People with Disabilities

In 2020, IBI Investment House employed 22 workers with disabilities in various positions across all our operational divisions.

IBI Investment House encourages our employees to declare any disability they may have, so that they can be provided with appropriate solutions and an optimal work environment. However, given the sensitive nature of this information, we recognize the limited accuracy of this data.

## Gender Equality at IBI Investment House

IBI Investment House champions gender equality and actively works to promote it through collaboration and support of public organizations advancing these issues and through the diversification of our staff, while addressing the needs of women in the workforce. For example, we extended the eligibility period for a “nursing hour” or “parenting hour” for every mother returning from maternity leave until 12 months have passed from the date of birth. The company places an emphasis on integrating women in professional advancement programs and our HR Department works to identify recruitment and professional advancement barriers and eliminate them.

We are aware that gender equality is all-encompassing and moves beyond the traditional categorization of men or women, yet there is no viable option for collecting or measuring reliable information in this area. Thus, notwithstanding the fact that this data is not readily available, we strive to create a respectful work environment that promotes diversity and inclusion however possible.

We are committed to minimizing wage gaps among workers and management. A recent assessment determined that the wage gap between men and women working in similar positions and the same number of work hours is less than 10%. The difference is derived from various factors including seniority, supervisors' evaluations, commissions earned from trade activities, etc.

## Seniority and Age Diversity

Experienced employees alongside new ones, this is our winning formula. IBI Investment House seeks to maintain a work environment that promotes equal opportunity for employees of all ages.

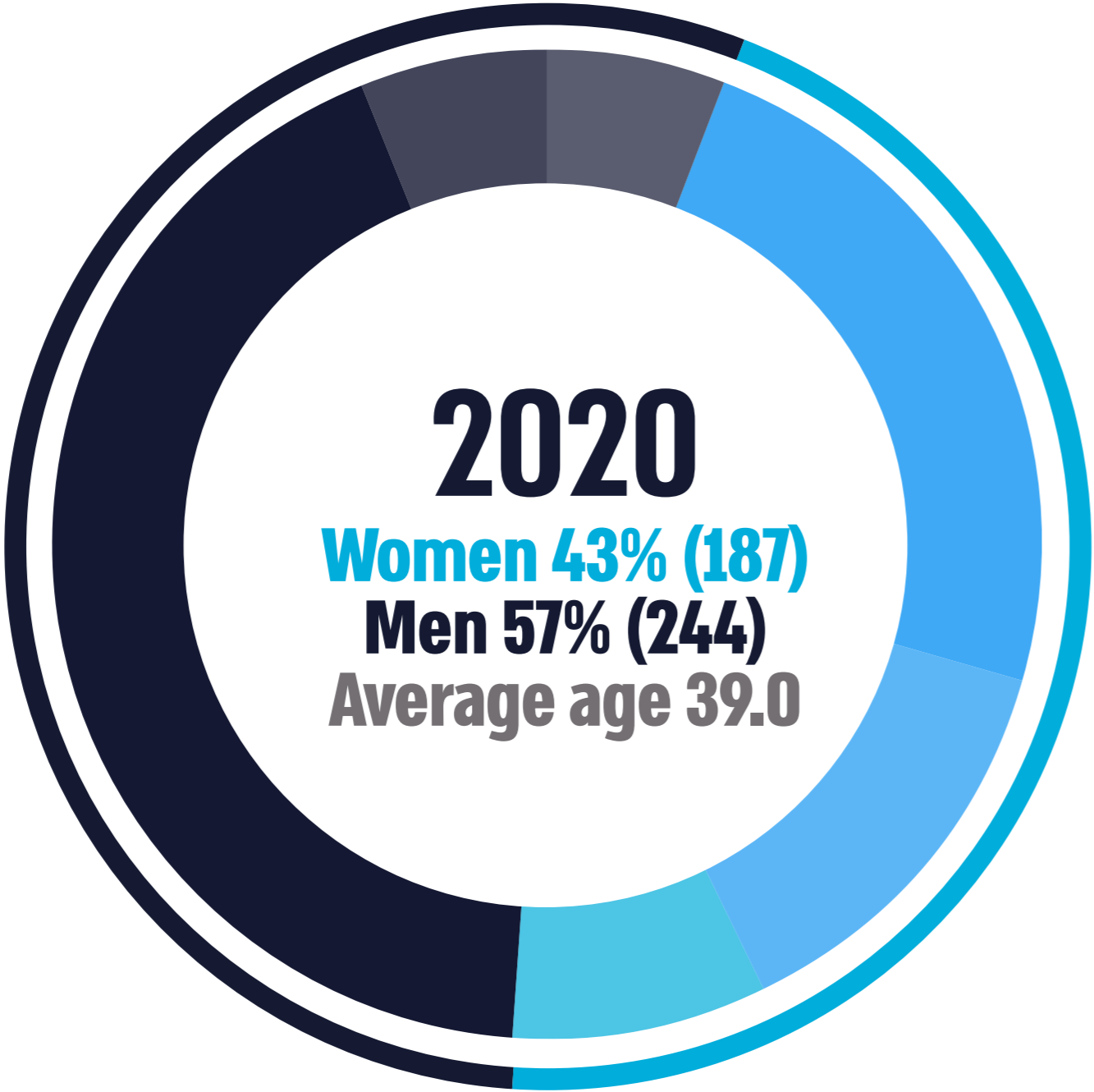
We believe that a mixed-age work environment enables an empowering and productive discourse, enhances creativity and the capacity to contend with challenges and ultimately optimizes company performance.

## Other Diversity

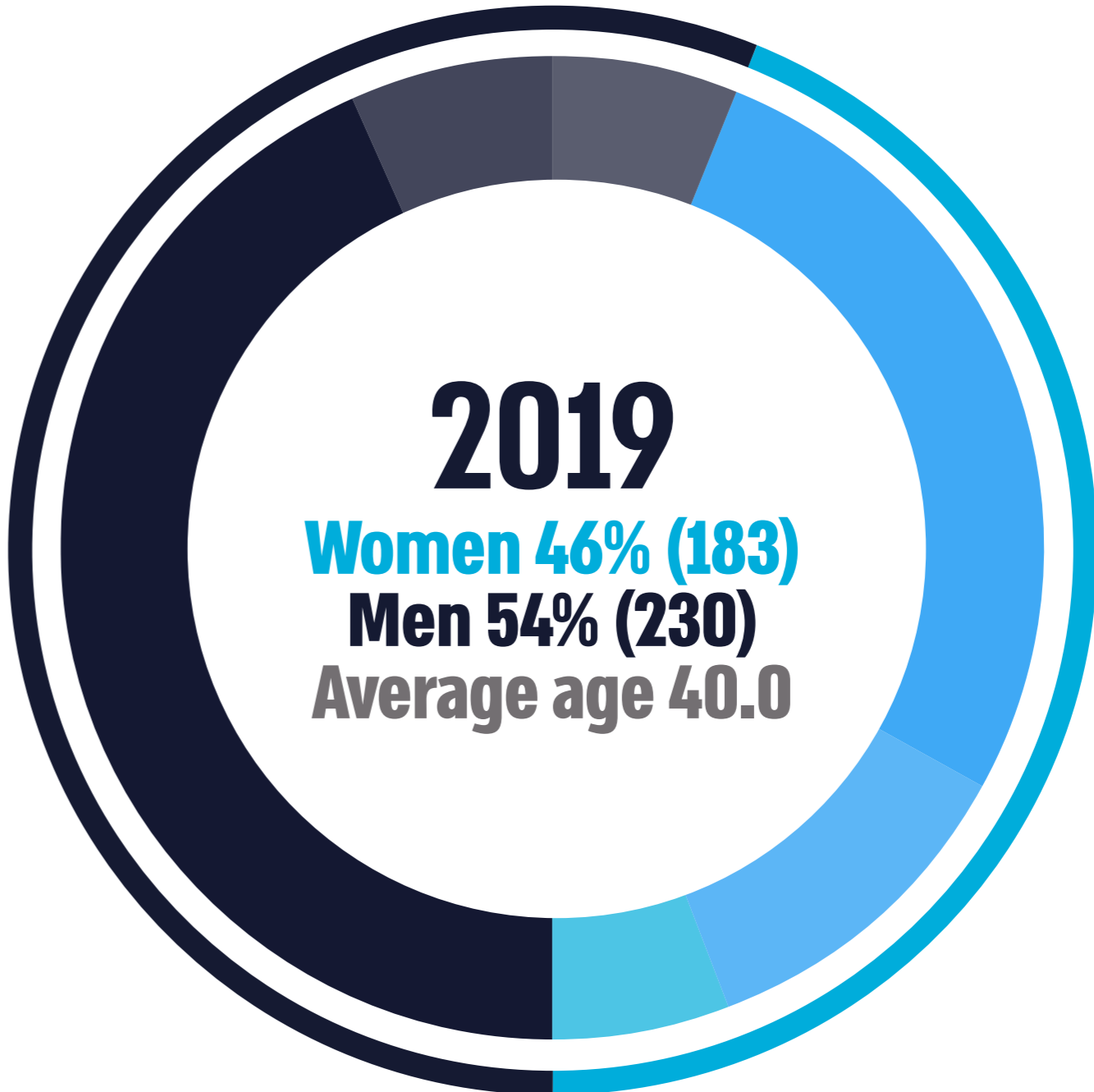
We continue our efforts to diversify our workforce from among populations currently excluded from the labor market - Arabs, ultra-Orthodox Jews, individuals of Ethiopian descent and residents of peripheral towns. Our efforts, focused on collaboration with specialized placement and recruitment agencies, have yielded only partial results thus far (see page 39 for details).

In 2021, the company's Board of Directors requested a semi-annual report regarding the Human Resources Department's plan to improve workplace diversity and an assessment of any achievements and/or barriers to the plan's implementation.

# Gender and Age Diversity 2019-2020



<b>26</b>	<b>182</b>	<b>58</b>	<b>46</b>	<b>103</b>	<b>26</b>
Men Under 30	Men 30-50	Men Over 50	Women Under 30	Women 30-50	Over 50



<b>27</b>	<b>179</b>	<b>24</b>	<b>46</b>	<b>111</b>	<b>26</b>
Men Under 30	Men 30-50	Men Over 50	Women Under 30	Women 30-50	Over 50



## The Right to Unionize, Collective Bargaining and Employment Contracts

IBI Investment House complies with the provisions of Israel's labor laws and adheres to human and employee rights. The company does not have an employee union and considers its Human Resources Department as the mediator, raising concerns and representing employee interests around the executive table and in all business decisions. All our workers are employed through personal employment contracts.

We did not identify any instances of human rights violations, child or forced labor as part of the operations of our suppliers, business partners and other stakeholders. Employment agreements with potential suppliers are vetted before any commercial contracts are awarded.

## Employee Incentive and Bonus Policy

IBI's compensation policy is determined by the company's Board of Directors and approved at the general shareholders meeting. Management, including second generation to the founding members of the company, are entitled to the same terms and stock options as other company employees at a comparable level and position, and these terms are approved separately at the shareholders meeting once every three years.

## Seniority and Employee Turnover

Employee seniority as presented below predominantly reflects the company's rapid growth rate in the past several years. The company makes a conscious effort to promote from within and prioritize employee retention.

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# Average Seniority and Employee Turnover Rates 2019-2020



**Average Seniority**  
(in Years)

**Turnover Rate**  
(Annual %)



## Retirement

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We celebrate our employees as they reach retirement age. In the past year, two staff members retired from our subsidiary, IBI Brokerage, and were granted funding for a dedicated pension workshop offering personal guidance and support through the retirement process. In addition, our retirees remain eligible for various company welfare benefits.

## Employee Well Being

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As a company entrusted with our customers' money, our success is exclusively reliant on the performance of our employees, their personal excellence and the quality of their customer relations – making it imperative to grant them all the essential resources for their professional and personal success. We offer our employees various benefits such as subsidized health insurance plans for them and their families, access and funding to social and psychological services, flexible hours for parents and university students, extended sick leave for employees caring for a sick family member, support for parents with special needs children.

The company offers additional paid vacation days – beyond the minimum annual leave stipulated by law, summer camp for our employees' children, extended eligibility for a “parenting hour” upon returning from maternity leave and until 12 months after the date of birth. In addition, IBI Investment House offers employee loans under special terms and options, support for academic studies, holiday gift vouchers, subsidized vacations, advanced study funds, bonuses and incentives, etc.





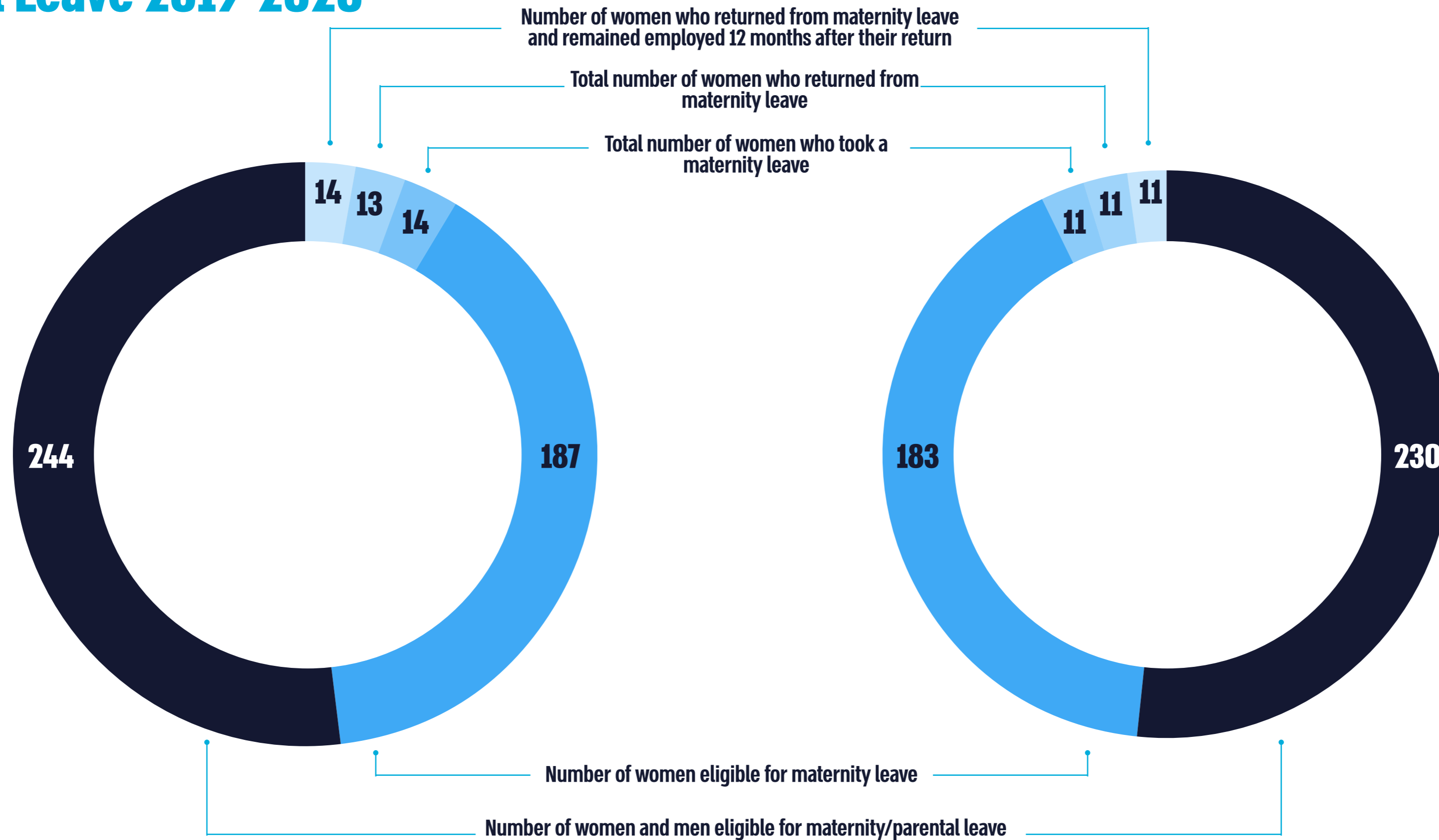
## Work-Life Balance

Our spheres of operation demand that we remain dynamic, responsive and alert to various capital markets spanning different time zones. Thus, we recognize the value of a healthy work-life balance for our employees.

We have formulated procedures in this regard as part of our organizational policy. For example: a recommendation for one short day per week, flexible hours where work hours are not dependent on trading hours, a parenting hours workday (if employees choose so), birth and parental leave periods, maternity and paternity allowances, eligibility for paid/unpaid leave during school holidays and/or university exam periods, etc. From time to time we identify employees who accrue over 50 work hours per week and encourage them to make use of any available vacation days.



# Parental Leave 2019-2020



\*In these years, no men took parental leave

## Ensuring the Health and Safety of Our Employees

We are committed to a safe work environment and have appointed a safety supervisor in accordance with the Labor Inspection (Organization) Law, 5714-1954. In addition, we conduct internal safety audits from time to time.

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## Prevention of Sexual Harassment

Sexual harassment is a form of misconduct that violates an individual's dignity, privacy and right to equality. We believe there is no place for sexual harassment in the workplace and strive to ensure a work environment safe and free from such misconduct. All company employees must complete an online workshop addressing sexual harassment and its prevention. The workshop places a special emphasis on managers and their responsibility to play an active role in preventing workplace harassment while enabling ongoing communication concerning any irregular incidents. This issue is further conveyed during new employee orientation sessions and in published company procedures outlining measures taken to prevent sexual harassment.

In 2019-2020, the Company had no documented incidents concerning such issues.

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## Prevention of Workplace Intimidation

Workplace intimidation refers to repetitious, non-physical, derogatory behavior towards an employee. Intimidation may create a hostile work environment and as such shall not be tolerated in our organization. In an effort to maintain a safe work environment, we have established regulations for identification, prevention and response to workplace intimidation taking into consideration the unique features of our organization. In addition, we have appointed an intimidation prevention supervisor, incorporated the issue in our new employee orientation sessions and published clear and comprehensive complaint procedures.

In 2019-2020, the Company had no documented incidents concerning such issues.

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## Employee Training and Development

Our employees receive all the professional and regulatory training required to effectively perform their jobs and develop their skills. For example, an employee promoted to the Board of Directors of one of the group's companies in 2020 participated in an external directors training program. In addition, the company offers an annual 12 session introductory program on the fundamentals of capital markets to any employee wishing to expand their knowledge in this area. Employees and managers who want to enrich their professional skills are encouraged to seek support during work hours or apply for funding to advance their expertise. Every workweek begins with our Capital Markets team providing a brief markets update to all company employees over Zoom.

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## Dialogue with Employees

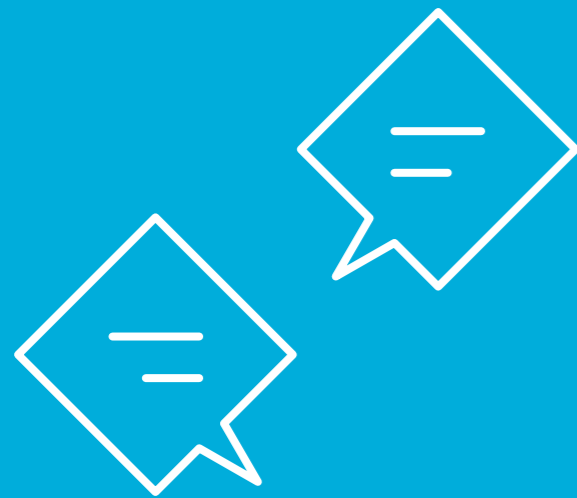
Communication is the key to a pleasant, productive and successful work environment. We believe in the effectiveness of interpersonal communication and implement an “open door” policy at every management level. In an effort to provide support in any situation that may transpire in the workplace, we have made a variety of communication channels available to our employees.

Manager/employee feedback and individual evaluations are performed once a year in January and February for all employees at IBI Investment House, its subsidiaries and related companies. As of 2019, the evaluation process is conducted digitally. In 2019 and 2020, 90% and 95% of employees (respectively) received regular performance evaluations.

We launched an employee satisfaction survey in 2020, to which over 85% of employees responded. The survey examined employees' position toward statements regarding their workplace and employment in the company. We are proud to report that the average survey rating stood at 9.04 (out of 10). This high score reflects the overall satisfaction of our employees and indicates their agreement to the statements used in the questionnaires. We were pleased to learn that our employees are proud to be a part of our organization with the statement ‘I am proud to work at IBI Group’ receiving an average rating of 9.47. The vast majority of those surveyed responded that they were very likely to recommend IBI as a workplace (9.35 out of 10) and that they believe in the excellence of IBI's products and services as compared to the competitors (9.26 out of 10).

These surveys enable us to identify some of the challenges facing our employees, such as a high workload which reduces their ability to dedicate time resources to external events. For example, the statement ‘The Company ensures that I am regularly updated on current market conditions’ received a score of 8.47 (out of 10). As expected, we recognized gaps in the average scores received among the different group companies.

We are focused on maintaining and continuously improving the supportive work relationships at IBI, while responding to the challenges identified in these surveys. Our commitment to our dedicated personnel and to our customers drives us to proactively seek multifaceted improvement at every step.

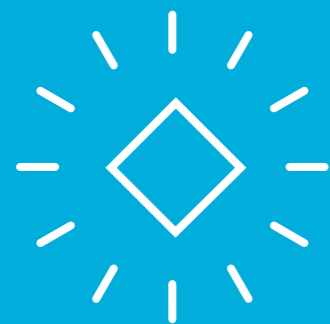






**ENVIRONMENTAL RESPONSIBILITY**





## Environmental Policy

As a company operating in the financial sector, active environmental responsibility aligns with our aim to ensure the future of our stakeholders. Thus, we have identified the main environmental impacts of our operations although our activities are primarily office-based by nature. Accordingly, we strive to minimize our ecological footprint in two ways:

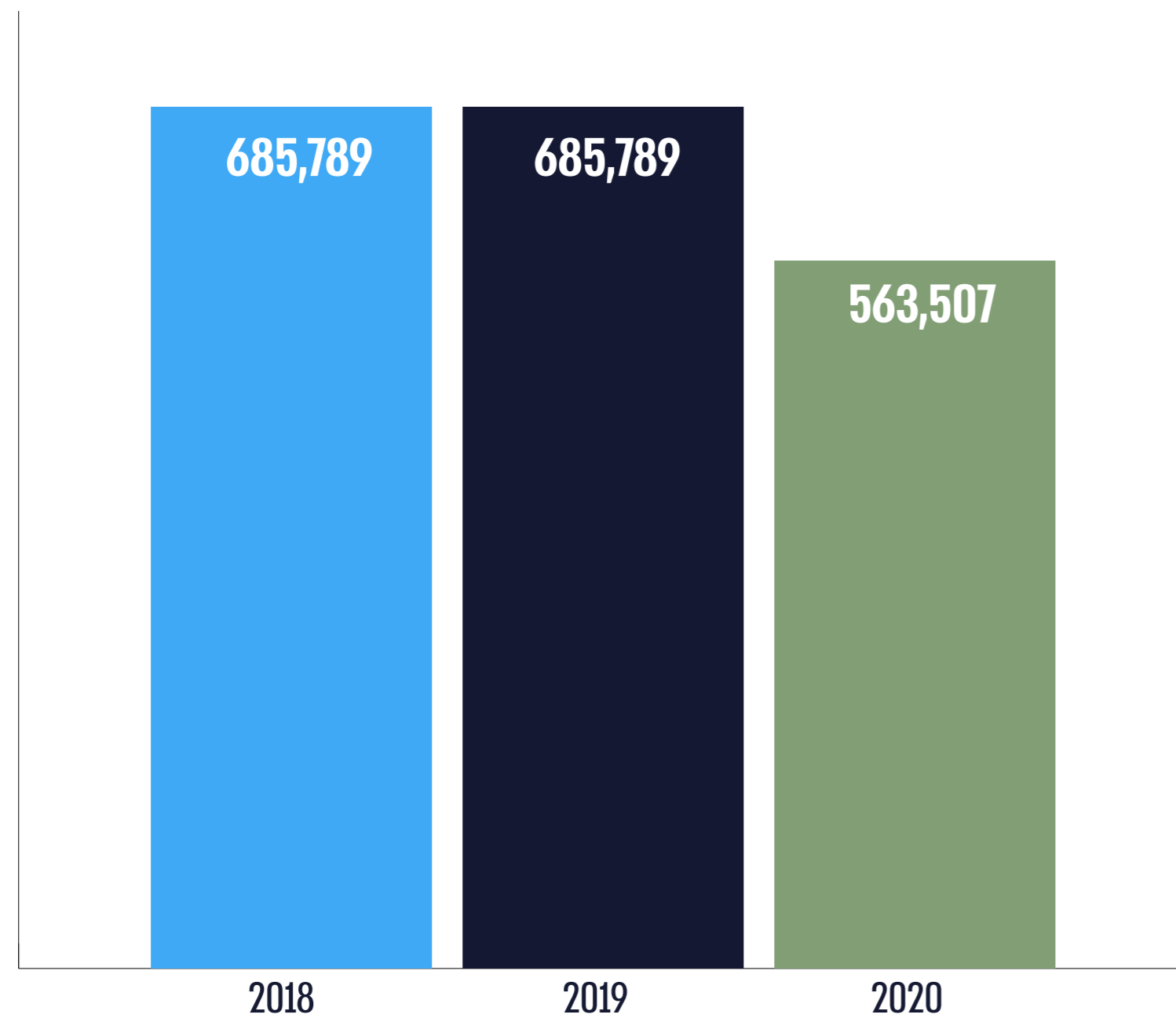
1. Minimizing air pollutants and greenhouse gas emissions: direct and indirect emissions derived from electricity consumption, air-conditioning refrigerants and our organizational vehicle fleet
2. Waste generation: mainly solid, electronic, paper and plastic waste

### Energy Efficiency – Minimizing Air Pollutants and Greenhouse Gas Emissions

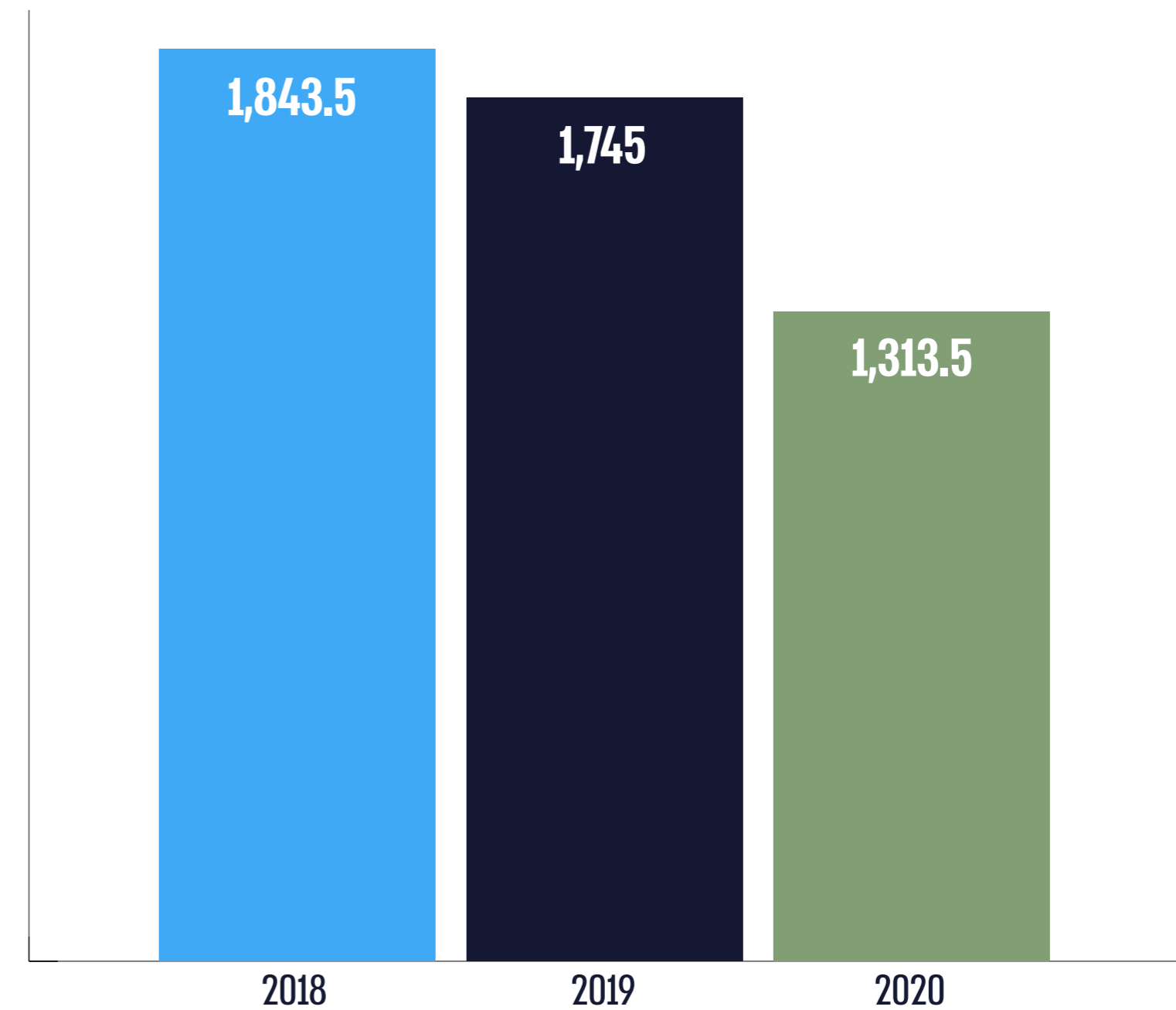
Our most significant contribution in this area is our continued effort to transition to hybrid vehicles. As of the end of 2020, 25% of our organizational fleet is comprised of hybrid vehicles, successfully reducing our company's fuel consumption. In addition, we adopted a company-wide effort to reduce paper consumption through the use of digital forms and reporting methods, took measures to minimize our office electricity consumption, etc. For example, in a comprehensive renovation project undertaken at the company's offices in the past year, special emphasis was placed on the use of natural light throughout our work spaces and smart lighting systems were installed to promote energy conservation.

# Energy Resources Management

Total Electricity Consumption  
(kW/h)



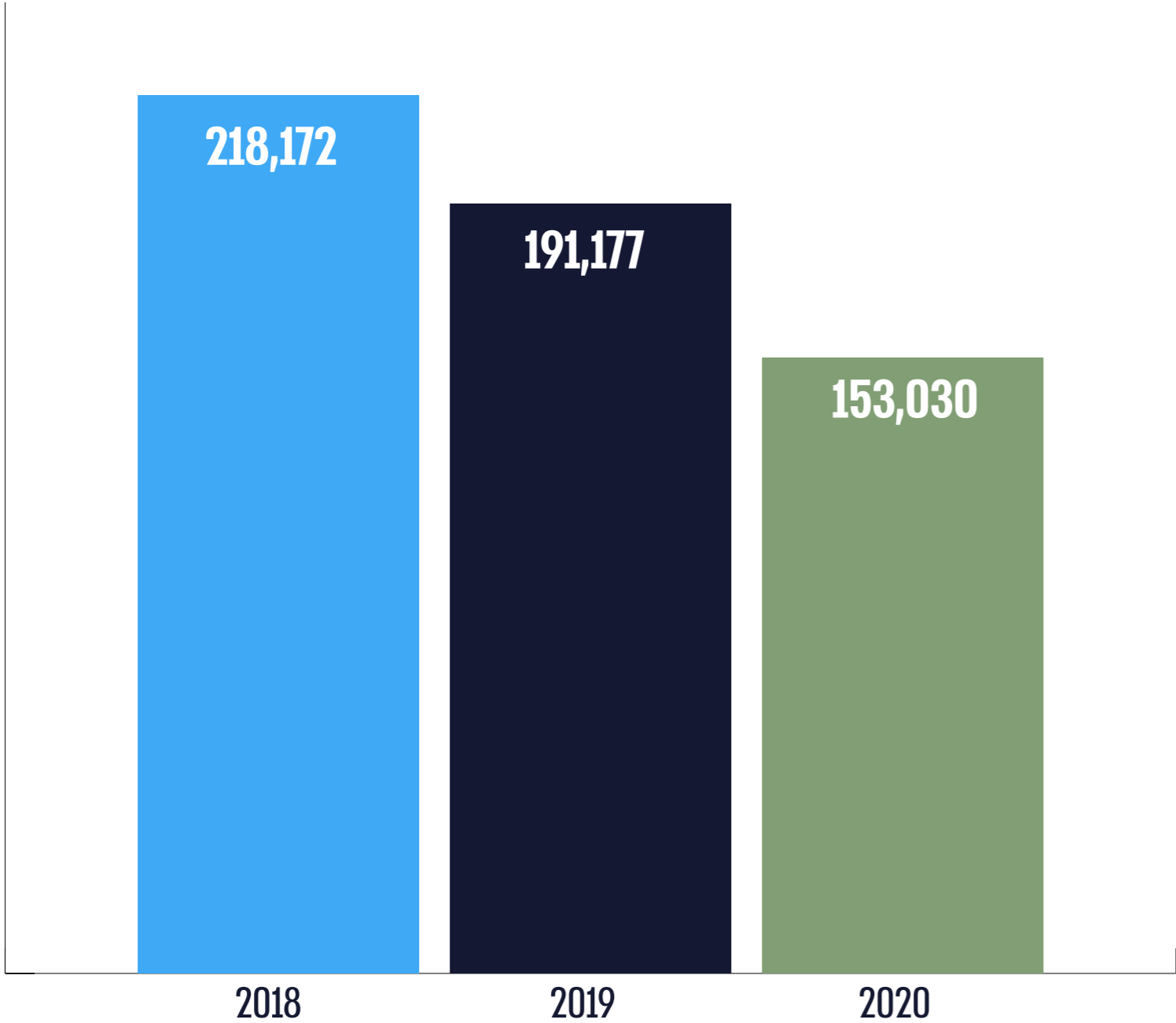
Electricity consumption per employee  
(kW/h per employee)



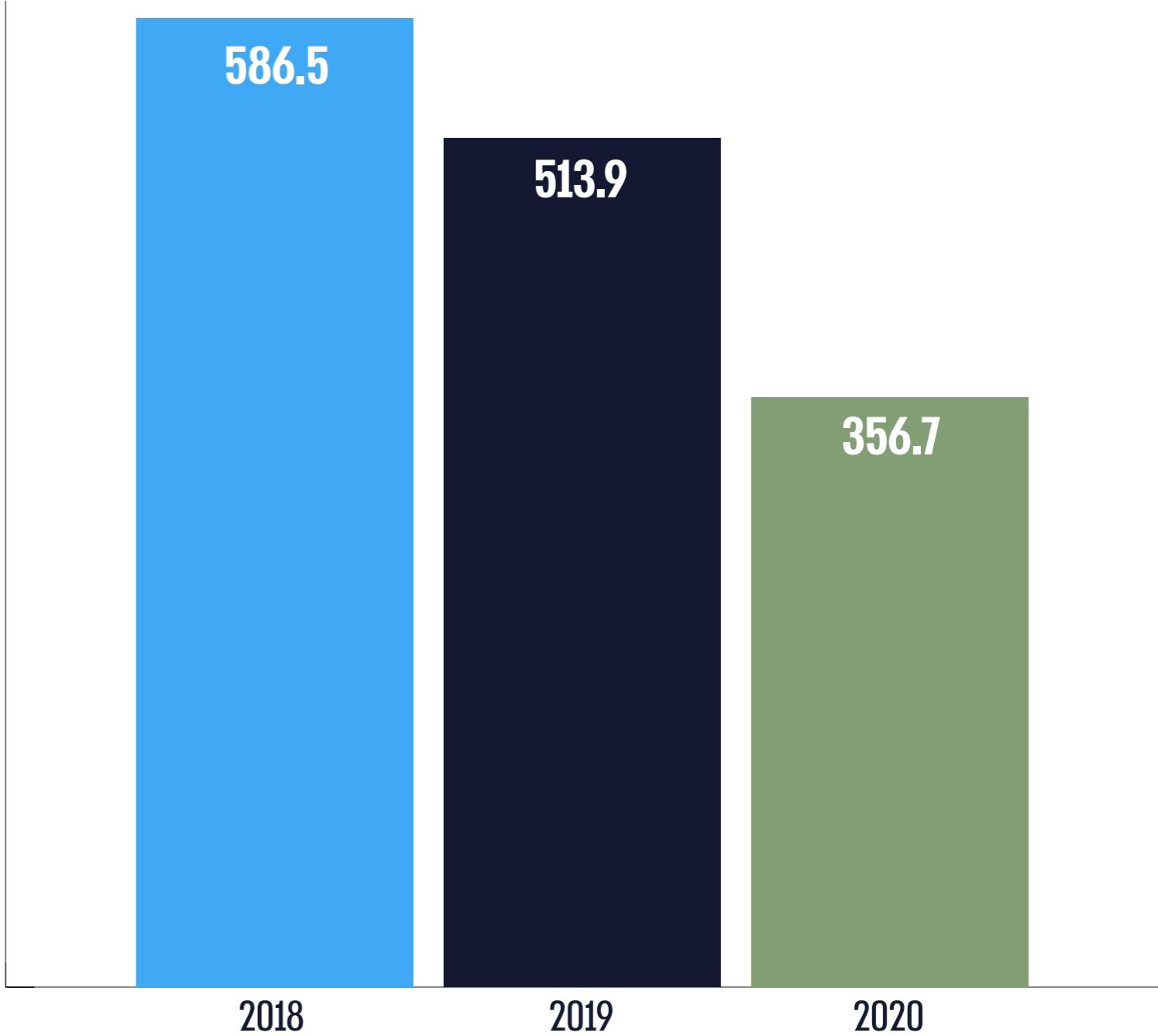


# Fuel Consumption

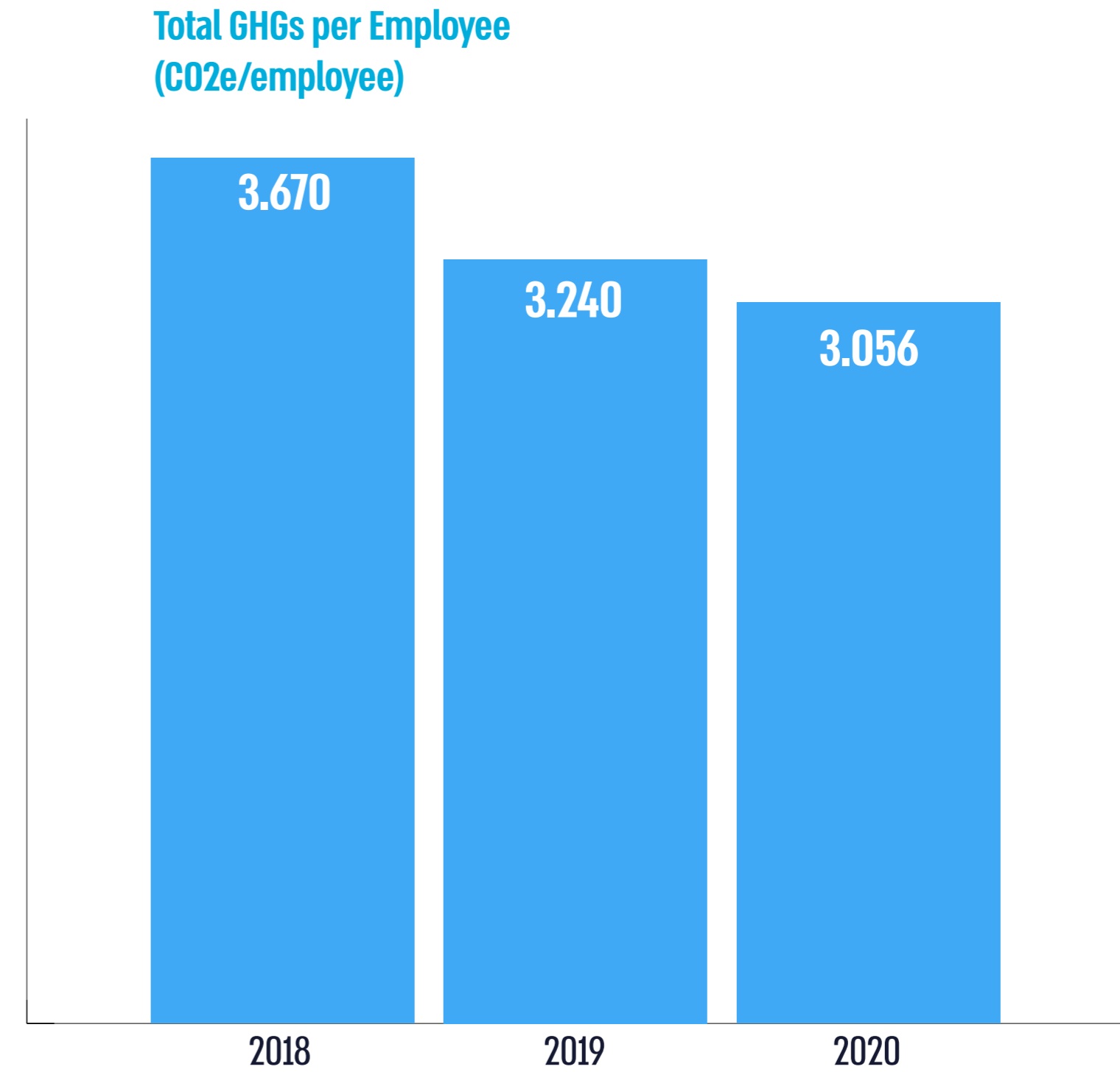
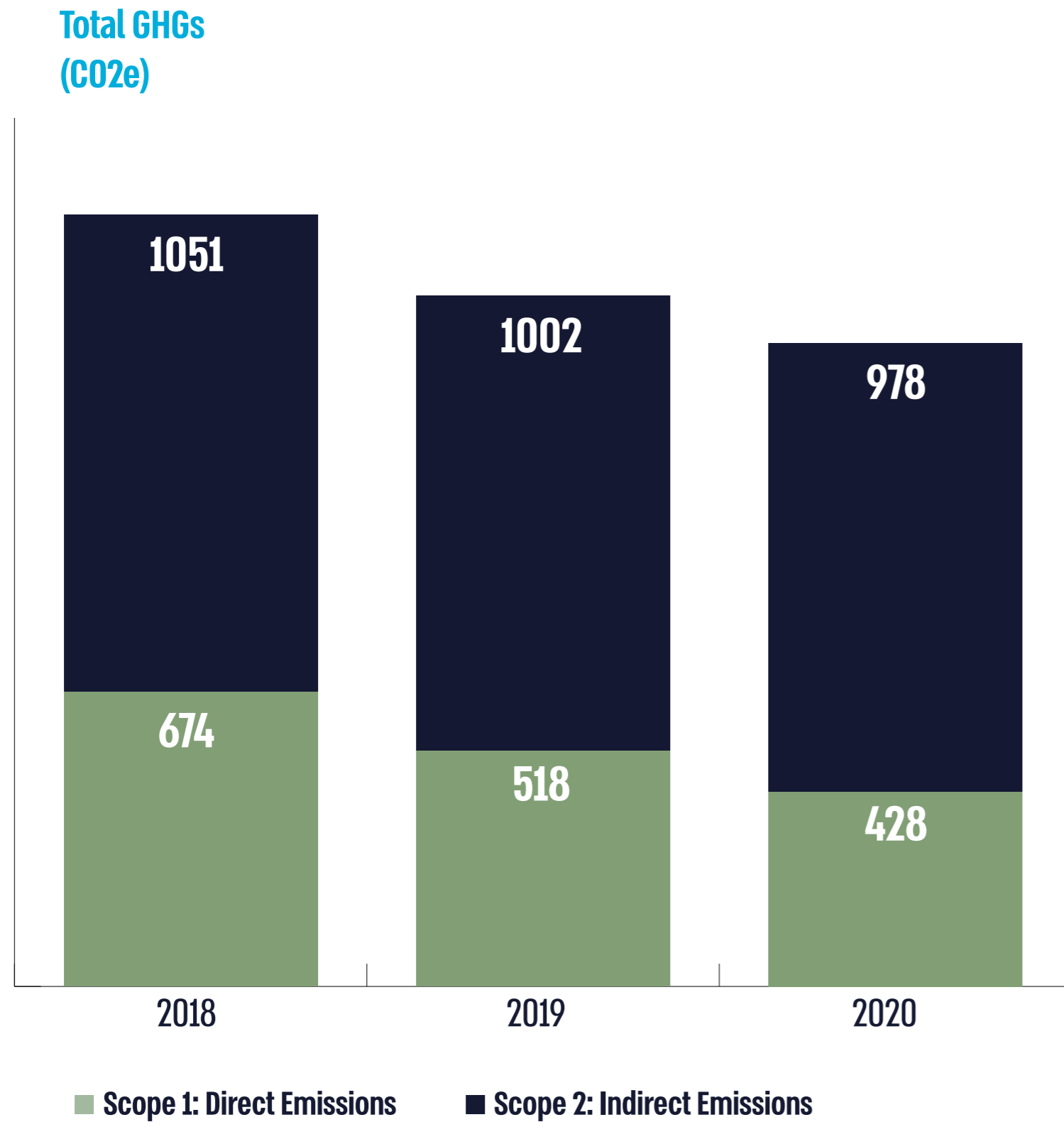
Total fuel consumption (liters)



Fuel consumption per employee (liters)



# Greenhouse Gas Emissions





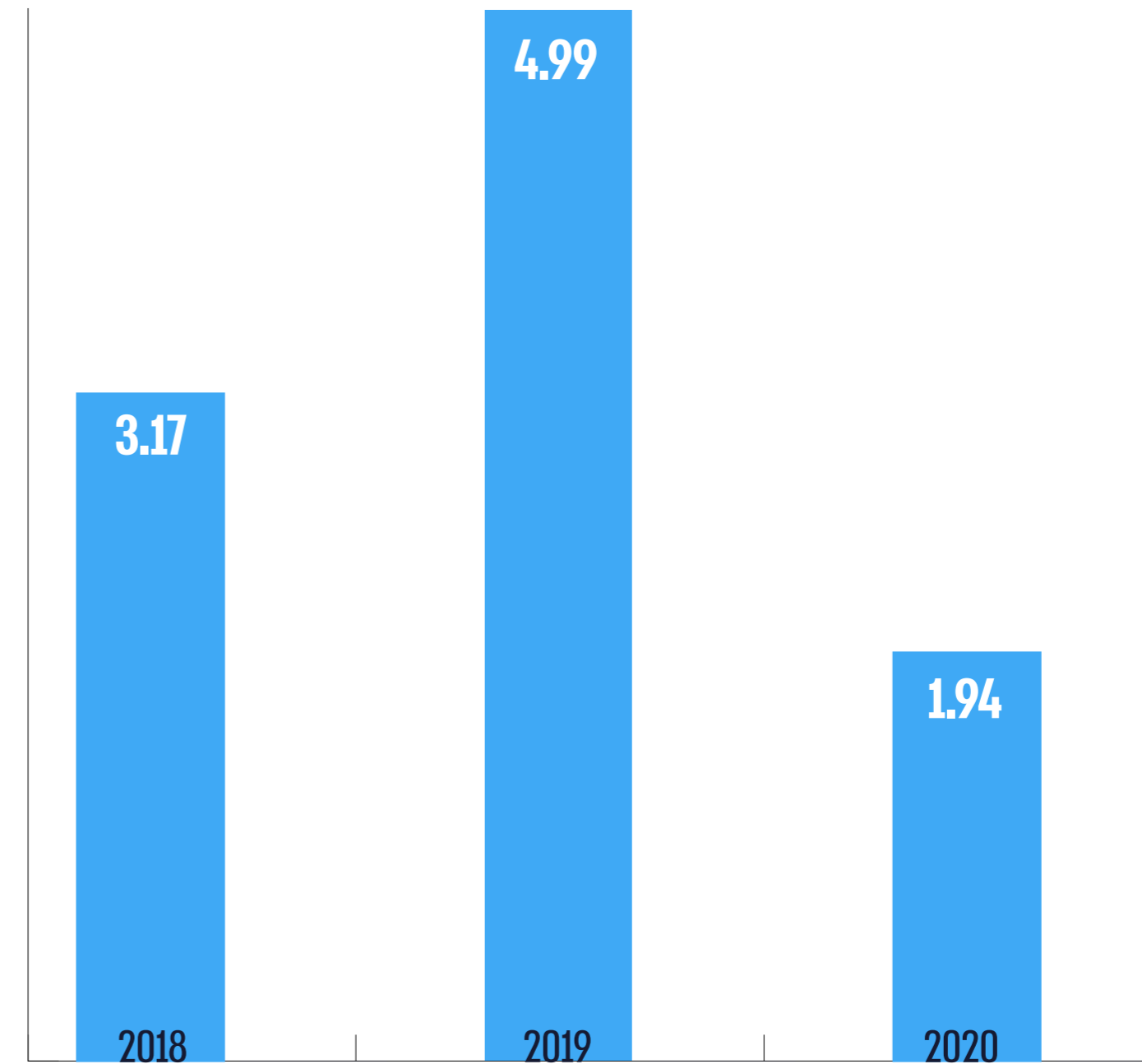
## Paper Use and Recycling

Second only to the energy needed for the operation of our offices and vehicles, paper is our most in-demand externally sourced product. With the years and technological advancements in communication with our customers and regulators (mail, reports, etc.), we see a significant decrease in paper consumption. This trend is expected to continue going forward.

\* The one-time increase in paper sent to be recycled is due to the relocation of our company offices in 2019.



## Recycled Paper (ton) \*

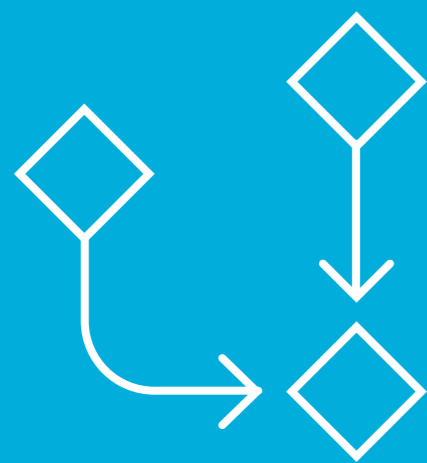






# SUPPLY CHAIN MANAGEMENT





## Promoting Responsible Procurement

As a financial services company, IBI's organizational procurement does not create a material ecological footprint. Nevertheless, we do not sit idly by, but rather proactively promote responsible procurement. We implemented an ethical code among our suppliers and service providers – from external resources such as data services to office supplies and equipment. Our purchasing policy reflects our clear preference for suppliers based in the country's periphery and for women-owned businesses. An ongoing dialogue with our suppliers is established and maintained throughout the course of our mutual business activity.

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# OUR RESPONSE TO COVID-19



# Responding to the COVID-19 Outbreak

During the lockdowns, and particularly when the first lockdown was imposed, we were faced with the challenge of decentralizing the company's operations and allowing for remote work at unprecedented numbers, while continuing to provide our customers with the best solutions for their needs and beyond. As experienced investment advisors, it was imperative to guide our customers through the general sense of panic overtaking the public and the markets, urging them to act prudently. We communicated with our customers through various digital channels, initiated webinars to provide first-hand updates on market trends and offered professional investment house insights. In addition, we encouraged our customers, as always, to contact us with any questions, certainly prior to taking any action that may significantly impact their investment portfolio.

Another noteworthy challenge was adapting the way in which we manage our employees, both at the professional level, and no less importantly, at the personal level. We ensured regular communication and frequent updates from the company regarding our organizational response and employee benefits available even under the existing restrictions. One such example is the continued subsidization of a meal card to those working remotely and other such perks. We maintained routine meetings with employees and encouraged management to report any challenges or concerns to our HR Department so that we could provide the best solutions in ways that benefit both the company at the organizational level and the employees at the individual level.

Despite the onset of COVID 19 and its economic impact, the Company succeeded to maintain growth and positive results in most areas of operation in 2020. We believe that the quality of our human resources, our financial resilience, professional expertise and our range of products and services have been key to our ability to grow during this challenging period.

Over the course of 2021-2022, we aim to continue strengthening our core activities – mutual fund management, stock exchange member services, portfolio and investment fund management, trust management and underwriting and distribution services, this in addition to expanding our activity in financial areas with low correlation to the capital markets in Israel and the world, including alternative investment funds. Our strategy is implemented by striving to achieve excess returns on a consistent basis, expanding the array of products we offer our customers, maintaining our market-leading brokerage and underwriting services and retaining and enhancing the group's human and corporate resources. The group aims to further develop our investment and mutual fund management activities in 2022, while increasing awareness of our range of services among the public, agents and bank investment advisors.





# ABOUT IBI INVESTMENT HOUSE



IBI Investment House is made up of the following divisions and companies:

**IBI Asset Management.** Manages investment portfolios for thousands of private and corporate customers through varying degrees of risk exposure.

**IBI Mutual Fund Management.** Manages a variety of mutual funds including managed funds and ETFs.

**Israel Brokerage & Investments – IBI.** A member of the Tel Aviv Stock Exchange since 1973, provides trading and execution services to private (IBI Trade) and institutional customers in Israel and overseas backed by the company's market-leading and experienced research departments.

**IBI Capital.** Provides comprehensive trust and operation services for share and equity-based benefit plans (employee options compensation), specializing in trust services, mergers and acquisitions, trust and operations services for various financial transactions.

**IBI Alternative Investment Solutions.** Innovative investment funds, characterized by a low correlation with traditional capital markets investments.

**Specialization in corporate and institutional services.** IBI offers a broad range of services designed for institutional and corporate clients: brokerage services in Israel and overseas, research and analysis, investment portfolio management for institutionals and corporates, loans and financing, employee benefit plan management, trustee services, investment banking and market making services.

**Poalim IBI.** A joint venture with Bank Hapoalim, Poalim IBI is Israel's leading underwriting firm, involved in almost every significant offering on the capital market.

Established in 1971, **IBI Investment House** is one of Israel's longest standing investment management firms with over NIS 50 billion in assets under management. IBI provides tens of thousands of customers in Israel with services ranging from investment portfolio management to alternative investment funds, mutual fund management, institutional brokerage, provision of services related to securities and stock exchange member services, trust and wealth management, underwriting and issuance management, and a variety of services for corporate and institutional clients.

IBI has been listed on the Tel Aviv Stock Exchange since 1984. The company and its subsidiaries are headquartered in Tel Aviv.

Through its five decades of operation, IBI has adhered to the ethos of uncompromising, customer-oriented service, remaining dedicated to excellence, professionalism, fairness and integrity.

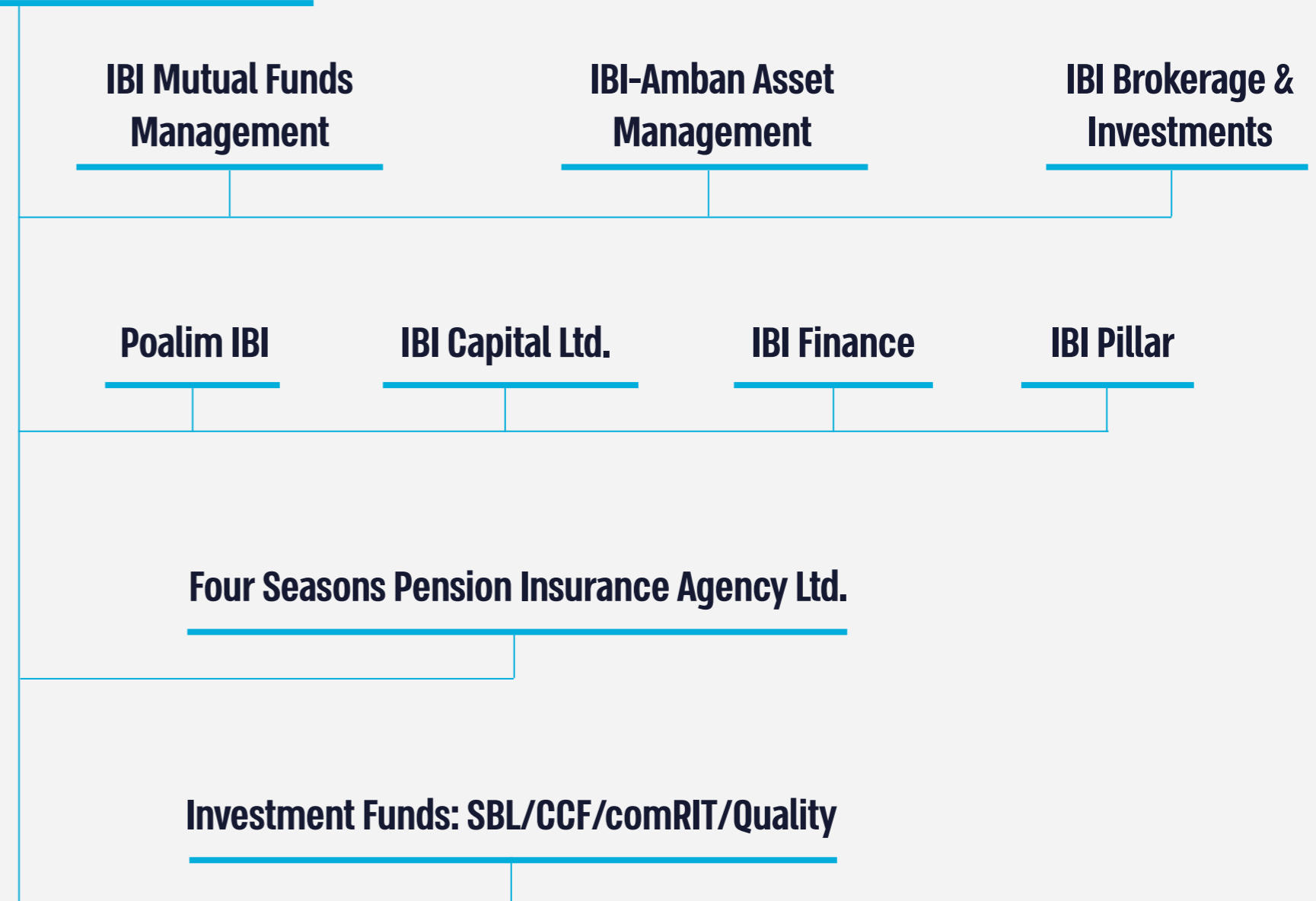
# Company Organizational Structure and Holdings (as of December 31, 2020)

## Management

### Headquarters and Administration



## Subsidiaries



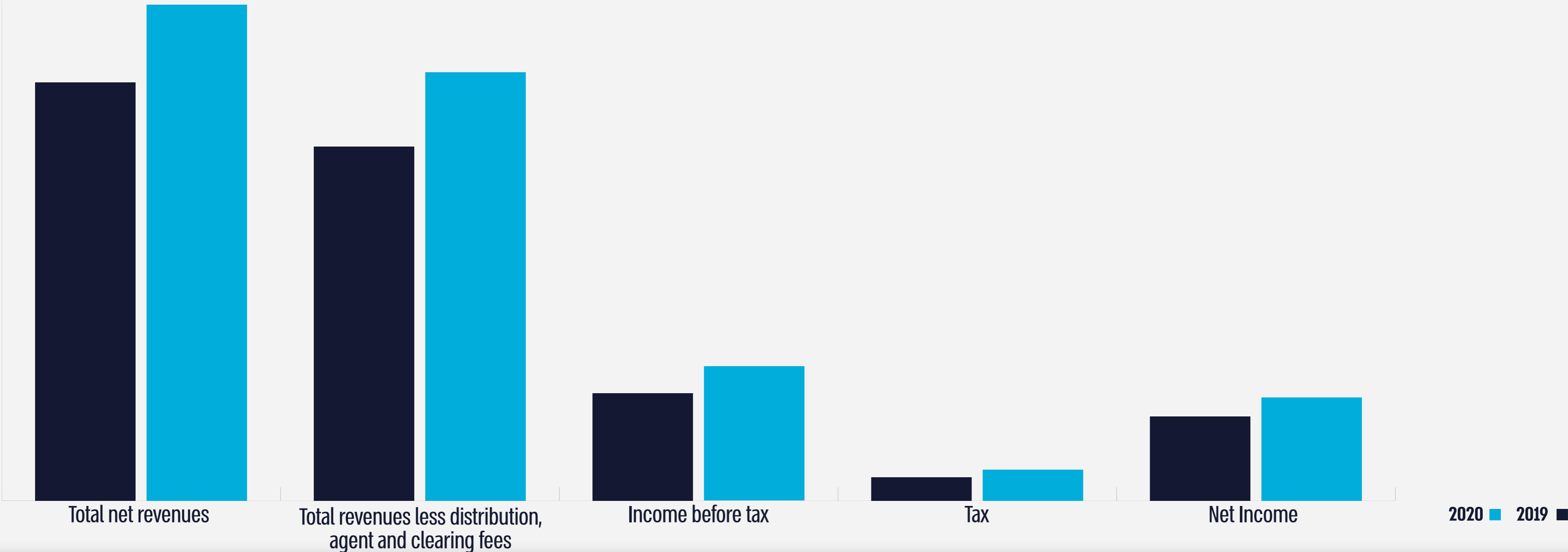


# Fiscal Results

For further information regarding the company's financial position and results of operations, please see our Annual Financial Statements for 2020

[>>>here](#)

Summary of financials (in thousands of NIS)





**About This Report**





This is the first Corporate Responsibility Report issued by IBI Investment House and it presents our performance in 2020. When possible, data from previous years was incorporated in order to promote transparency and provide a baseline for reporting.

IBI Investment House intends to issue a Corporate Responsibility Report on the group's activities at least once every two years.

This report was prepared in accordance with the Sustainability Report Standards (SRS) of the Global Reporting Initiative (GRI) "Core" option. The report was composed with the assistance of Good Vision – a Corporate Responsibility Consulting Firm, a member of the Grant Thornton Group, and a GRI Organizational Stakeholder.

The material aspects in this report were identified and aligned against global benchmarks for financial sector companies in Israel and abroad, interviews with content experts and company management.

The data presented in this report (excluding financial data from the company's annual financial statements) relates to IBI Investment House and its local subsidiaries and does not account for subsidiaries abroad. Data was compiled through interviews with group managers and employees and a review of the company's documents and reports. Pursuant to GRI standards, material aspects were defined through consultation with our various stakeholders.

The report was published through funding provided by the Impact Nation initiative launched by the Ministry of Strategic Affairs.

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# Material Issues Identified and Selected for Reporting

Reported Issue	Reporting Scope	Chapter	Pages
Responsible Investment Management	Within the company	Promoting Sustainable and Inclusive Economic Growth	
Client Management – Responsible and Fair Marketing	Within the company	Customers and Service	
Ethics and Responsible Business Conduct	Within the company	Ethics and Corporate Governance	
Risk Management	Within the company	Ethics and Corporate Governance	
Human Resource Management and Gender Equality	Within the company	Employees and Work Environment	

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

**Elah Alkalay**, Head of Corporate Responsibility, IBI Investment House  
[elah@ibi.co.il](mailto:elah@ibi.co.il)

**Ivri Verbin**, CEO, Good Vision – Corporate Responsibility Consultants  
[Ivri.Verbin@goodvision.co.il](mailto:Ivri.Verbin@goodvision.co.il)

This report is issued by IBI Investment House Ltd. (hereinafter, the “Company”) solely for the purpose of presenting the subject of corporate responsibility as it relates to its operations and the operations of its subsidiaries. This is the Company’s first Corporate Responsibility Report and as such does not account for the entirety of issues addressed by the Company.

The report includes a number of issues deemed relevant by the Company, yet the inclusion of any specific information in this report or the exclusion of other information does not indicate whether such information is material or immaterial, and does not suffice as any kind of representation on behalf of the Company with regard to the entirety of its operations. It should be emphasized that the report is based on business data pertinent to Company operations and does not substitute any data in the financial statements published by the Company and/or its subsidiaries. Accordingly, with regard to financial data or data concerning the scope of operations, profitability, projections and so forth, only data detailed in the financial statements may be considered binding, and in any case of discrepancy, data detailed in the financial statements shall prevail. This document does not constitute a representation or an explicit or implicit undertaking, and the accuracy, integrity or verity of the information or any opinions included herein are not to be based upon. Neither the Company nor any of its employees or representatives shall be held liable (whether due to negligence or any other reason) for any loss ensuing in any way from the use of this document or its contents or any other manner concerning this document. Forward-looking reports regarding the Company’s operations and their outcomes are subject to risk and uncertainty. Actual results may materially differ from those forecasted. As such, the content of this report is not to be relied upon for future projections.





**GRI INDEX**

# GRI – SRS Table

Chapter	GRI Standard Title/Topic	Disclosure Number	Disclosure Title	Page	Exclusions/comment
	Organization Profile	102-1	Name of the organization		
		102-2	Activities, brands, products, and services		
		102-3	Location of headquarters		
		102-4	Location of operations		
		102-5	Ownership and legal form		
		102-6	Markets served		
		102-7	Scale of the organization		
		102-8	Information on employees and other workers		
		102-9	Supply chain		
		102-10	Significant changes to the organization and its supply chain		
		102-11	Precautionary Principle or approach		
		102-12	External initiatives		
		102-13	Membership of associations		
	Strategy	102-14	Statement from senior decision-maker		
	Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior		



Chapter	GRI Standard Title/Topic	Disclosure Number	Disclosure Title	Page	Exclusions/comment
	Governance	102-18	Governance structure		
		102-40	List of stakeholder groups		
		102-41	Collective bargaining agreements		
	Stakeholder Engagement	102-42	Identifying and selecting stakeholders		
		102-43	Approach to stakeholder engagement		
		102-44	Key topics and concerns raised		
		102-45	Entities included in the consolidated financial statements		
		102-46	Defining report content and topic Boundaries		
		102-47	List of material topics		
		102-48	Restatements of information		
Reporting Practice	102-49	Changes in reporting		NA	First report
	102-50	Reporting period			
	102-51	Date of most recent report			
	102-52	Reporting cycle			
	102-53	Contact point for questions regarding the report			
	102-54	Claims of reporting in accordance with the GRI Standards			
	102-55	GRI content index			
	102-56	External assurance			

Chapter	GRI Standard Title/Topic	Disclosure Number	Disclosure Title	Page	Exclusions/comment
	Management Approach (required for each material aspect)	103-1	Explanation of the material topic and its Boundary		
		103-2	The management approach and its components		
		103-3	Evaluation of the management approach		
	Economic Performance	201-1	Direct economic value generated and distributed		
	Economic Performance	201-4	Financial assistance received from government		
	Indirect Economic Impacts	203-1	Infrastructure investments and services supported		
	Indirect Economic Impacts	203-2	Significant indirect economic impacts		
	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures		
	Materials	301-3	Reclaimed products and their packaging materials		
	Energy	302-1	Energy consumption within the organization		
	Energy	302-2	Energy consumption outside of the organization		
	Energy	302-3	Energy intensity		
	Energy	302-4	Reduction of energy consumption		



Chapter	GRI Standard Title/Topic	Disclosure Number	Disclosure Title	Page	Exclusions/comment
	Emissions	305-1	Direct (Scope 1) GHG emissions		
	Emissions	305-2	Energy indirect (Scope 2) GHG emissions		
	Emissions	305-4	GHG emissions intensity		
	Emissions	305-5	Reduction of GHG emissions		
	Employment	401-1	New employee hires and employee turnover		
	Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		
	Employment	401-3	Parental leave		
	Training and Education	404-1	Average hours of training per year per employee		
	Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs		
	Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews		
	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees		
	Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men		
	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs		

# Appendix: GRI Tables

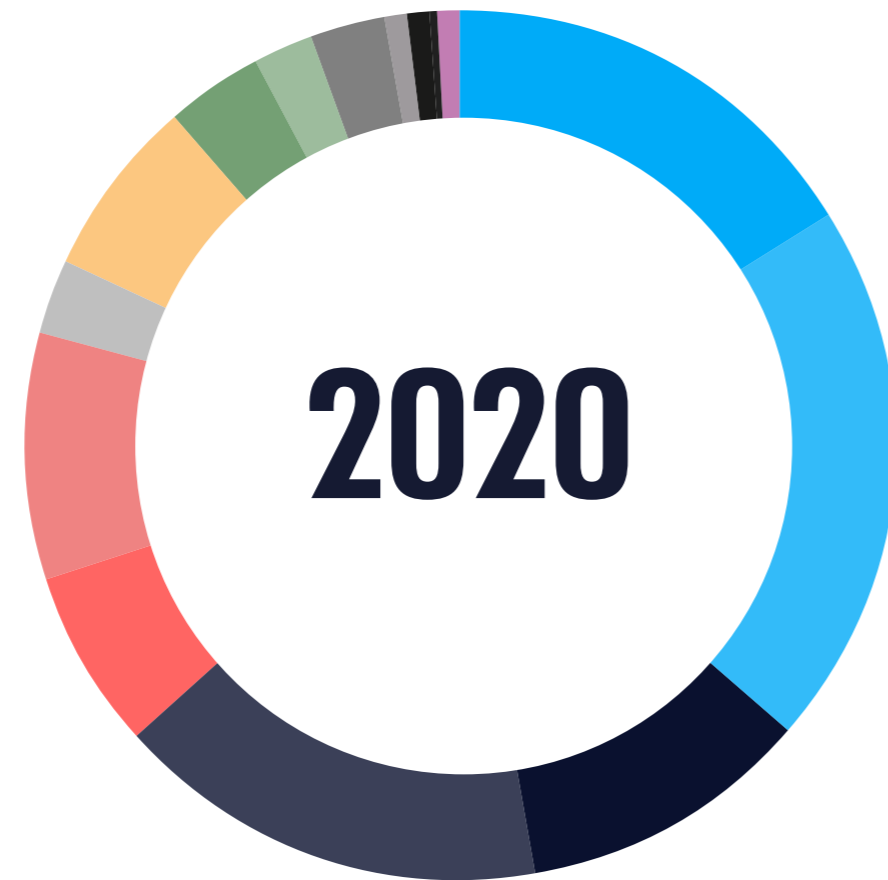
Table 1: Employee Turnover 2019-2020

Employee Turnover	Age Group	2019			2020			GRI SRS Indicator	
		Recruited Employees and Managers	Dismissed/Retired/Resigned Employees and Managers	Turnover Rate	Recruited Employees and Managers	Dismissed/Retired/Resigned Employees and Managers	Turnover Rate		
Men	30 and under	13	14	23.0%	22	16	15.0%	401 - 1	
	31-50	42	39		31	21			
	51 and over	1	0		2	1			
	<b>Total Men</b>	<b>56</b>	<b>53</b>		<b>55</b>	<b>38</b>			
Women	30 and under	21	29	19.0%	22	12	19.3%		401 - 1
	31-50	25	7		23	23			
	51 and over	0	0		1	1			
	<b>Total Women</b>	<b>49</b>	<b>36</b>		<b>46</b>	<b>36</b>			
Total 30 and under	34	43	29	44	28		401 - 1		
Total 31-50	67	46	7	75	44				
Total 51 and over	4	0	0	3	2				
<b>Total</b>	<b>105</b>	<b>89</b>		<b>101</b>	<b>74</b>				



**Table 2: Seniority by Gender 2019-2020**

<b>71 Women</b>	<b>0-2 years</b>	<b>Total 153</b>
<b>82 Men</b>	<b>0-2 years</b>	
<b>42 Women</b>	<b>3-5 years</b>	<b>Total 101</b>
<b>59 Men</b>	<b>3-5 years</b>	
<b>31 Women</b>	<b>6-10 years</b>	<b>Total 80</b>
<b>49 Men</b>	<b>6-10 years</b>	
<b>12 Women</b>	<b>11-15 years</b>	<b>Total 41</b>
<b>29 Men</b>	<b>11-15 years</b>	
<b>16 Women</b>	<b>16-20 years</b>	<b>Total 28</b>
<b>12 Men</b>	<b>16-20 years</b>	
<b>11 Women</b>	<b>21-30 years</b>	<b>Total 17</b>
<b>6 Men</b>	<b>21-30 years</b>	
<b>4 Women</b>	<b>31-40 years</b>	<b>Total 5</b>
<b>1 Men</b>	<b>31-40 years</b>	
<b>0 Women</b>	<b>40+ years</b>	<b>Total 3</b>
<b>3 Men</b>	<b>40+ years</b>	



<b>67 Women</b>	<b>0-2 years</b>	<b>Total 151</b>
<b>84 Men</b>	<b>0-2 years</b>	
<b>45 Women</b>	<b>3-5 years</b>	<b>Total 111</b>
<b>66 Men</b>	<b>3-5 years</b>	
<b>28 Women</b>	<b>6-10 years</b>	<b>Total 65</b>
<b>37 Men</b>	<b>6-10 years</b>	
<b>12 Women</b>	<b>11-15 years</b>	<b>Total 39</b>
<b>27 Men</b>	<b>11-15 years</b>	
<b>16 Women</b>	<b>16-20 years</b>	<b>Total 25</b>
<b>9 Men</b>	<b>16-20 years</b>	
<b>11 Women</b>	<b>21-30 years</b>	<b>Total 14</b>
<b>3 Men</b>	<b>21-30 years</b>	
<b>4 Women</b>	<b>31-40 years</b>	<b>Total 5</b>
<b>1 Men</b>	<b>31-40 years</b>	
<b>0 Women</b>	<b>40+ years</b>	<b>Total 3</b>
<b>3 Men</b>	<b>40+ years</b>	

