

EDRF (IL) SUSTAINABILITY REPORT 2020 - 2021



140 YEARS OF PIONEERING IN ISRAEL

About this Report

We are happy to present the first sustainability report of the Edmond de Rothschild Foundation – Israel (EdRF IL), headquartered in Tel-Aviv. The report presents the quantitative and qualitative information needed to understand the Foundation's material sustainability issues for the years 2020-2021. It covers the activities of the various entities within EdRF (IL) and of entities affiliated with it as represented in the Foundation's annual operational reports.

Since 2010, EdRF (IL) has placed special emphasis on the evaluation and measurement of its philanthropic activities, including by adopting and promoting the development of innovative and effective tools, such as systematic collection of information and data, definition of objectives and desired outcomes, regular supervision, and more. This approach ensures the Foundation's ongoing involvement in, and long-term commitment to, the initiatives it supports, and amounts to much more than a one-time financial contribution.

The Foundation's unique model of operation, whereby all income derived from the development of Caesarea (and not intended for the continued development of Caesarea lands) is transferred from the Foundation's subsidiaries to the Foundation itself, ensures not only sustainable practices but also the maximization, diversification, and accountability of all the entities' actions to the Foundation's vision. This rigorous structure enables the EdRF (IL) to promote ESG-related practices, which are essential to ensure a positive spill-over into Israel's society and environment.

Our Conviction

Committed to Israel's pioneering spirit, the Foundation's programs and actions reflect its vision, of creating an inclusive and collaborative society by promoting excellence, diversity, and leadership through higher education. Our legacy of philanthropic innovation thrives through the encounter with new opportunities and challenges emerging in Israel's dynamic environment. As one of the oldest and largest philanthropic foundations operating in the country, EdRF (IL) aspires to be at the vanguard of the examination and development of innovative, measurable, and result-oriented responses to social challenges.

Material Assessment

Our 2020-2021 sustainability report is a significant step towards identifying and prioritizing the most critical environmental, social, and governance (ESG) issues to our organization and mission. This is just a first step in our aspiration towards a materiality assessment and one which may significantly contribute to strategic planning, as well as operational management, and investment decision-making processes.

Acknowledgments

This report was prepared by **Hilly Hirt** Program Officer – Impact Entrepreneurship EdRF (IL), with the support, professional and critical input, and review by several Edmond de Rothschild Foundation (IL) team members, including **Edan Ben Ami**, Manager of Caesarea Water Utility and Environmental Department, CDC

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A Message from Baroness Ariane de Rothschild

This is the first year that the Edmond de Rothschild Foundation in Israel has issued a comprehensive sustainability report encompassing its governance, social and environmental strategy. For the Foundation however, practicing sustainability has been a priority from the very start.

Over the past decades my late Husband Benjamin and I have been involved in the development of the Foundation, embracing new, responsible and innovative strategies promoting social change. In many ways, EdRF (IL) is a micro cosmos of the EdR Group's values and vision, reflecting our pioneering spirit and desire to create measurable, clear and long term impact.

The Foundation's unique model of operation enables it to continuously challenge itself to find ways to harness its business outputs to serve social outcomes, benefiting its grantees, partners and the Israeli society as a whole - especially those who are underrepresented and struggling the most.

The past two years have brought tremendous challenges and new complexities to organizations tackling local and global issues. It takes courage to choose to act and I am proud of EdRF (IL) and our colleagues for the leadership, dedication, enthusiasm and agility with which they have embraced the hurdles along their way.

As Chairperson of EdRF (IL), I believe that we all have a role to play in building a better world for our children. As we move into a post pandemic future, we are guided by an optimistic voice and remain enthusiastic about the future because we are confident in our ability to contribute to change.

This first sustainability report of EdRF (IL) reflects the Foundation and its subsidiaries' efforts, accomplishments and aspirations to drive meaningful outcomes in all

aspects of our work. Essentially harnessing Israel's entrepreneurship capabilities to design innovative responses to challenges towards maximum impact.

We aspire to continue and invest in groundbreaking economic and social models, nurture young and committed leadership, promote excellence, diversity, inclusivity and shape the future generation of Israel for it is our role to ensure that our vision will translate into lasting achievements and make a disruptive and positive impact on those we serve.

Executive Summary

The Edmond de Rothschild Foundation (Israel) initiates dozens of innovative projects throughout Israel, directly impacting 30,000 youths and young adults, and indirectly impacting 500,000 people across Israel's society every year. It works to develop innovative, measurable, result-oriented responses to social challenges, and operates in a unique framework utilizing the income derived from the activities of the Foundation's subsidiaries to achieve its vision and goals. It partners with academia, NGOs and foundations in Israel and the world, impact investors and entrepreneurs, national and local government agencies to advance leadership, diversity and excellence, promote social mobility through higher education, develop a new generation of pioneers and entrepreneurs, and more.

The Foundation views sustainability as an opportunity to combine strategic opportunities with social and economic achievements. This report presents the quantitative and qualitative information pertaining to material sustainability issues at the EdRF (IL) for 2020-2021 and details the objectives, commitment, and activities of the Foundation and its subsidiaries. It also discusses their sustainable development aspects, encompassing social impact, the environment, and ethics and governance, arts and heritage, construction and development, health and wellbeing, energy, transportation, water and waste management, soil and ecology, and tourism development. The report consists of three main chapters, covering the activities of the Foundation and the various entities affiliated with it:

The first chapter, Social Impact, discusses the Foundation's work in the following fields: Leadership, SDG innovation, access to and success in higher education,

joint society in Israel, academic excellence, arts and Covid-19. The chapter aims to showcase EdRF (IL) works to create an inclusive and collaborative society in Israel by promoting excellence, diversity, and leadership through higher education. It also details our legacy of philanthropic innovation, investment in change agents and promoting a pioneering spirit in Israel.

The second chapter, Environmental Impact, provides insight into the activities of the Caesarea Development Corporation and the Caesarea Assets Corporation, which develop and manage the Caesarea community and industrial park. This chapter focuses on endeavors to promote sustainable environmental goals in verticals of water, life on land, energy, transportation, heritage, waste management, construction and development, tourism development, and more.

The third chapter, Ethics and Governance, presents the Foundation's sustainable organizational conduct and governance and its uncompromising efforts to be transparent, accountable, responsible in our everyday conduct, as well as its aspiration to measure the efficacy of our efforts in terms of accomplishing our sustainability goals.

This report is a significant step towards identifying and prioritizing the most critical ESG issues in our organization and mission. Moreover, it constitutes a part of our aspiration for materiality assessment and can considerably contribute to strategic planning, as well as to operational management, investment, and decision-making processes.

By committing to integrate sustainability into the Foundation's ongoing activity, we are creating a 'win-win situation' for society, the environment, and our operation.

Introduction to EdRF (Israel)

The Caesarea lands, like many real estate lands in Israel, were purchased by the Rothschild family (via the Palestine Jewish Colonization Association) long before the establishment of the state.

After the state's establishment, the Rothschild family assigned all the lands owned by it in an approximate area of 125'000 acres (-500,000 dunams) to the State of Israel, motivated by an ardent belief in Zionism and such values as philanthropy and the advancement of Jewish settlement in Israel.

On the lands in the Caesarea area (in an approximate area of 7,500 acres (-30,000 Dunams), which, at the time, consisted mainly of sand dunes, Baron de Rothschild sought to establish, together with the Israeli government, a garden city, in which thriving residential areas alongside industrial areas would be built. The establishment would be a part of a long-term cooperation between the Rothschild family and the state - one that would also give rise to philanthropic endeavors to advance higher education in Israel.

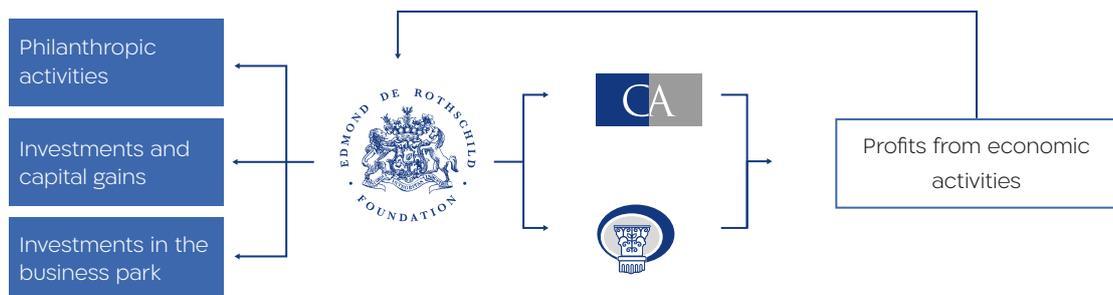
For this purpose, the Rothschild family entered into a unique one-of-a-kind framework of agreements with the State of Israel, under which the mandate for development of the Caesarea lands and the many outcomes thereof, some of which find their expression in this report, would be entrusted to the Foundation; and all the income derived from the activities of the Foundation's

subsidiaries, which are not intended for the continued development of the Caesarea lands, would be transferred to the Foundation and would be used by it to promote higher education in Israel.

Indeed, over decades, the Foundation and the Caesarea Development Corporation have invested extensive efforts and resources in the development of the Caesarea lands, turning them into thriving residential neighborhoods, alongside an innovative industrial park. This includes the development of infrastructure, pavement of roads, installment of water and sewage infrastructures, electricity infrastructures, technological infrastructures, construction of advanced residential neighborhoods, preservation of unique Caesarea antiques as well as preservation of the shoreline, developing the area into a touristic, heritage and international resort attraction, establishment of a leading and unique business and industrial park (which provides numerous jobs), etc.

Our unique structure enables us to combine a human-centered approach, along with the allocation of resources to critical environmental and governance issues. We aspire to deliver shared value to all our beneficiaries, partners, and clients through direct contact, tight-knit relationships and innovative, agile, and tailored frameworks, products, and services.

Our Companies



The EdRF (IL) Group's Sustainability Approach

Strategic Approach to Sustainability

EdRF (IL) views sustainability as an opportunity to combine strategic opportunities with social and economic achievements. The shift from a strategic approach to sustainable business practices enables the sustainable initiatives – whose shared benefits to society, to the companies, and to the Foundation are distinct, significant, and strategically position them in the dynamic Israeli ecosystem. By committing to integrate sustainability into the Foundation's day-to-day operations, we are creating a 'win-win situation' for society, the environment, and our operation.



Society

Creating an inclusive and collaborative Israeli society. Promoting excellence, diversity and leadership through higher education. Examining innovative responses to social challenges towards maximum social impact.



Health and wellbeing

Promoting healthy life in a high-quality environment, free of pollutants and maintaining social relationships to create significance and satisfaction. Supporting the national battle against Covid-19.



Arts & Heritage

Expanding the connection between the Israeli art world and social action, to engage young artists in community involvement. Protecting cultural heritage.



Governance

Transparency, fairness, competitiveness. Compliance with law and regulation. Connecting our values to policies and guidelines. Conducting responsible Investment.



Sustainable organizational conduct

Developing a local economy while protecting the environment, maintaining fair trade and equality.



Transportation

Reducing the need for motorized transportation. Advancement of walking, bicycle riding, and the use of public transportation.



Development and construction

Using local and sustainable materials and products for construction and renovations.



Water

Water conservation and reduction of consumption, preventing pollution of water sources.



Soil and ecology

Conservation of nature and habitats, development and nurturing of new habitats.



Energy

Achieving energy efficiency in the buildings, renewable energy infrastructures.



Waste management

Reducing waste, re-use, and zero landfill waste.



Tourism development

Maintaining an environmental and sustainable approach to tourism development.

EdRF (IL) Impact on Society

Intro and Review 2020-2021

EdRF (IL) works to create an inclusive and collaborative Israeli society, and catalyzes deep processes of social change in order to promote excellence, diversity, and leadership through higher education.

As a continuation of its 140-year-old philanthropic heritage, the Foundation fulfills the Rothschild family's long-standing commitment to the pioneering spirit of the State of Israel and invests in agents of change and in promoting its new pioneers.

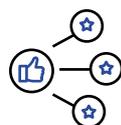
The Foundation, which operates within the international network of the Edmond de Rothschild Foundations, initiates dozens of innovative projects throughout Israel, aimed at reducing social gaps and fostering young leadership. The Foundation's efforts to achieve higher education in as many communities as possible, to promote innovative academic research, to engage artists in social involvement, to invest in groundbreaking economic and social models, and to nurture young and committed leadership affecting the lives of tens of thousands of people and shaping the future generation of Israel's pioneers and entrepreneurs.

Our Vision

The mosaic of identities that constitutes the Israeli society is an invaluable opportunity to develop a rich and vibrant fabric of life which can engender – through diversity and partnership – a healthy and progressive society in which shared good is enhanced. With a firm belief in the power of individuals to bring about change, and out of a commitment to and a sense of responsibility for the pioneering spirit of the State of Israel, EdRF (IL) is dedicated to empowering, connecting, promoting, and nurturing the various groups that make up Israeli society. We are convinced that the consolidation and intensifying of human values, along with expanding knowledge and striving for excellence, will lead to the establishment of an inclusive and prosperous Israeli society.

Strategy

EdRF (IL) leads, develops, and supports social innovation through a creative, results-oriented approach, with the goal of creating maximum social impact. Our built-in workflow not only enables support for a growing number of initiatives, but also continuous monitoring, which helps us to constantly learn, improve and become more effective. EdRF (IL) advances its mission along two strategic axes:



Promoting excellence:

Advancing the academic, artistic, and social realms by fostering the excellence of groundbreaking agents of change, creating philanthropic best practices, and investing in innovative economic models to address social problems.

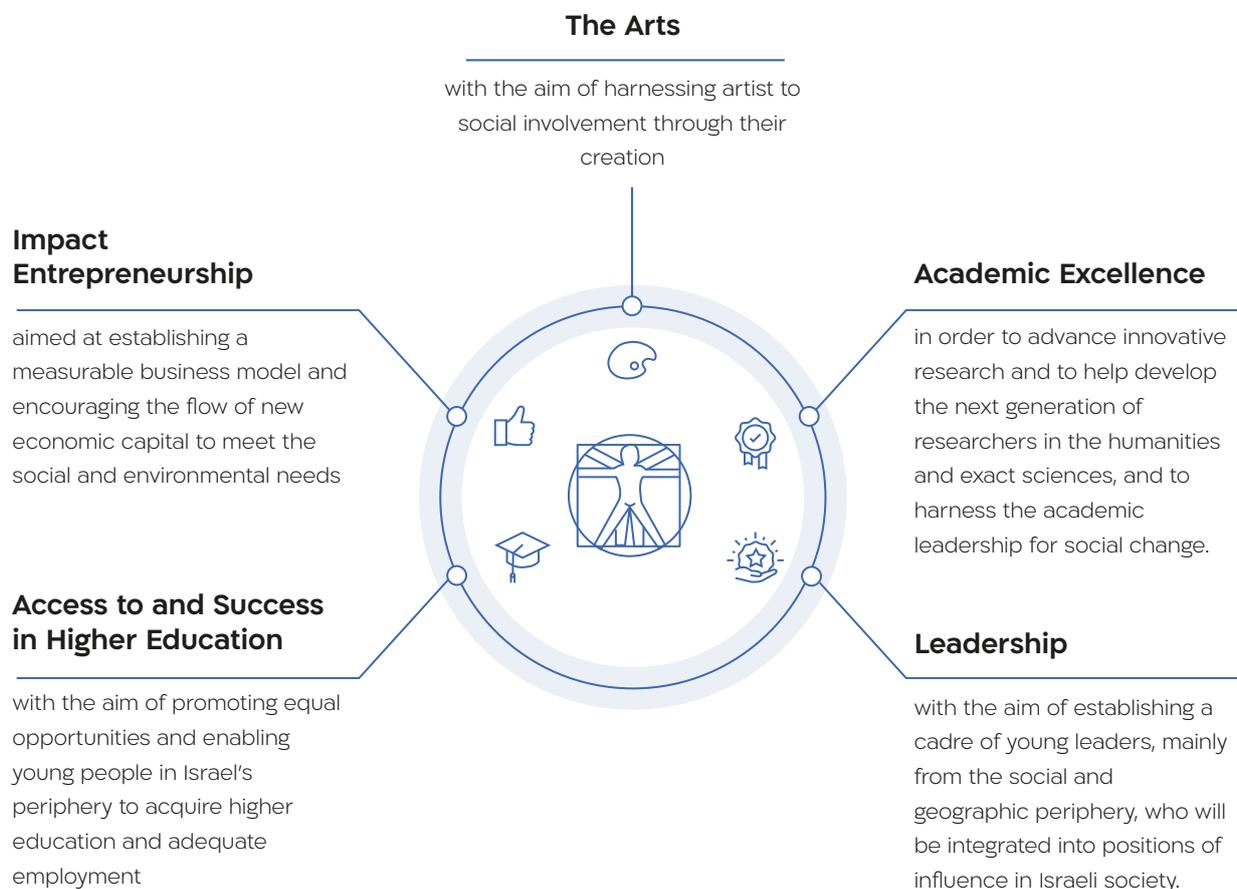


Ensuring access to and success in higher education:

Activities aimed at advancing equal opportunities by offering Israel's diverse society the possibility of attaining higher education and joining the workforce in commensurate employment.

Value Creation and Objectives

In order to realize its vision and expand its influence in Israeli society, EdRF (IL) operates in five fields:



In tackling key social and economic challenges, we also support the development of infrastructure, policy, innovative financing frameworks, new forms of collaborations, and creative methodologies to bring underserved population into the equation, all alongside the prism of well-being for all the stakeholders we engage. In order to promote our mission to develop an inclusive and collaborative Israeli society, we work with a wide variety of stakeholders. We partner with universities and NGOs to co-develop programs and solutions to social challenges, we measure our interventions through pre-defined success indicators and partner with other foundations, business and public sector partners to help scale our programs and reach sustainability.

We believe that unlocking social value is a process of co-creation by the Foundation, society, our partners, beneficiary and grantees. As one of the oldest foundation operating in Israel, we have embraced the continuous need to collaborate with our partner to rethink and redesign our value creation over the past seven decades, evolving and becoming more innovative as we forge ahead.

Our stakeholders



Our Beneficiaries

As one of the largest philanthropic foundations in Israel, we work with over 30,000 youth and young adults every year, through dozens of social and educational programs, providing them with an opportunity to lead, excel, and realize their potential.



Our Grantees

We support and work with dozens of NGOs and more than 50% of the academic institutions in Israel, to implement programs which help thousands of youth from underprivileged communities and diverse backgrounds, to achieve higher education and translate it to proper employment.



Israeli Society

We indirectly impact over 500,000 people every year through a strategy of investing in pioneers and change agents from a wide variety of communities, the adoption of our models by others, and our work to influence policy.



Our Partners

We work with over 100 partners, including government offices, businesses, academic institutions, and other philanthropic foundations to increase the scope and impact of our programs. We believe in building partnerships and utilizing the unique added value of each partner to reach our goals.

Providing funding support to academic institutions and NGOs in Israel

Pursuing efforts to reduce higher-education dropout rates

Fostering academic excellence

Maintaining a close relationship with our beneficiaries to mitigate risks and take advantage of opportunities

Developing socially committed leadership

Increasing the scope and impact of our programs

Creating new knowledge and sharing information

Exploring innovative approaches to impact

Promoting our values of excellence and diversity and reducing social gaps in Israeli society

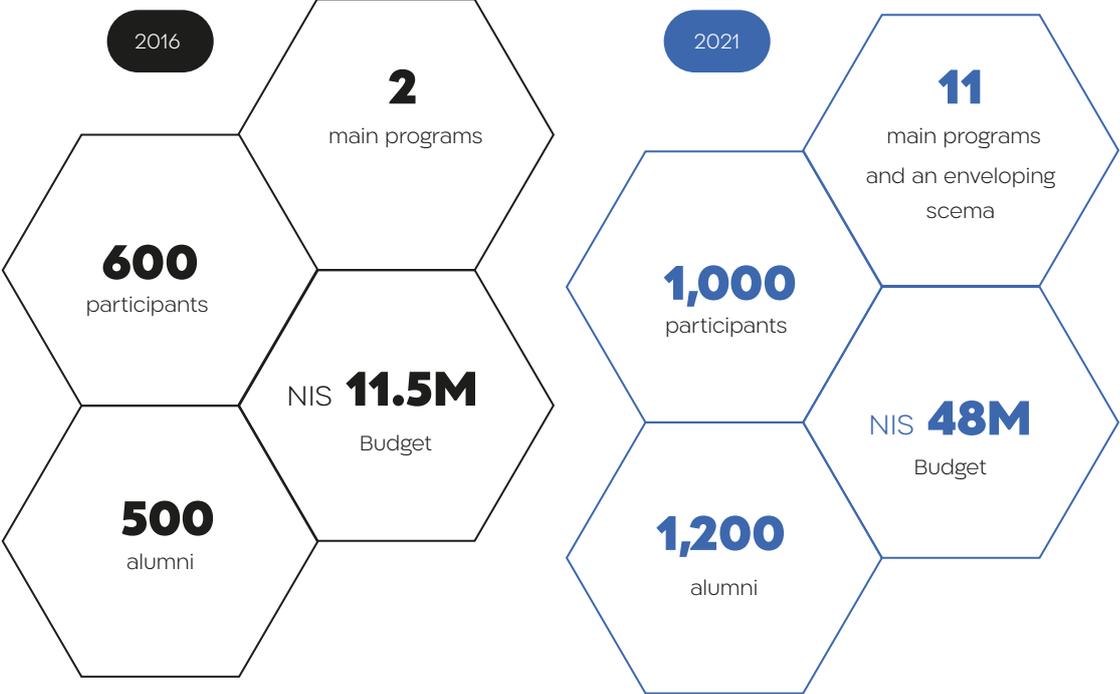
Engaging in partnerships

Supporting underprivileged communities from diverse backgrounds in achieving higher education and employment



OUR COMMITMENTS

Leadership; The Edmond de Rothschild Partnerships



Established in 2016 by the EDRF (IL) as its non-profit operative branch, the Edmond de Rothschild Partnerships' mission is to develop a young, diverse cadre of future leaders, primarily from Israel's socio-geographic periphery, with the goal of reducing disparities in Israeli society. We do this by directing our efforts towards the personal and professional development of our participants by providing them with knowledge-building tools, soft skill development, awareness building, and social activism alongside personal growth, as well as academic and employment opportunities.

We believe that enabling a new leader profile has a tremendous impact on changing Israel's social climate, and result in an equitable, balanced Israeli society, in which the common good is shared more fairly. The leaders undertake various positions of influence; from which they promote partnerships between the diverse communities through network and multi-sectoral collaborations.



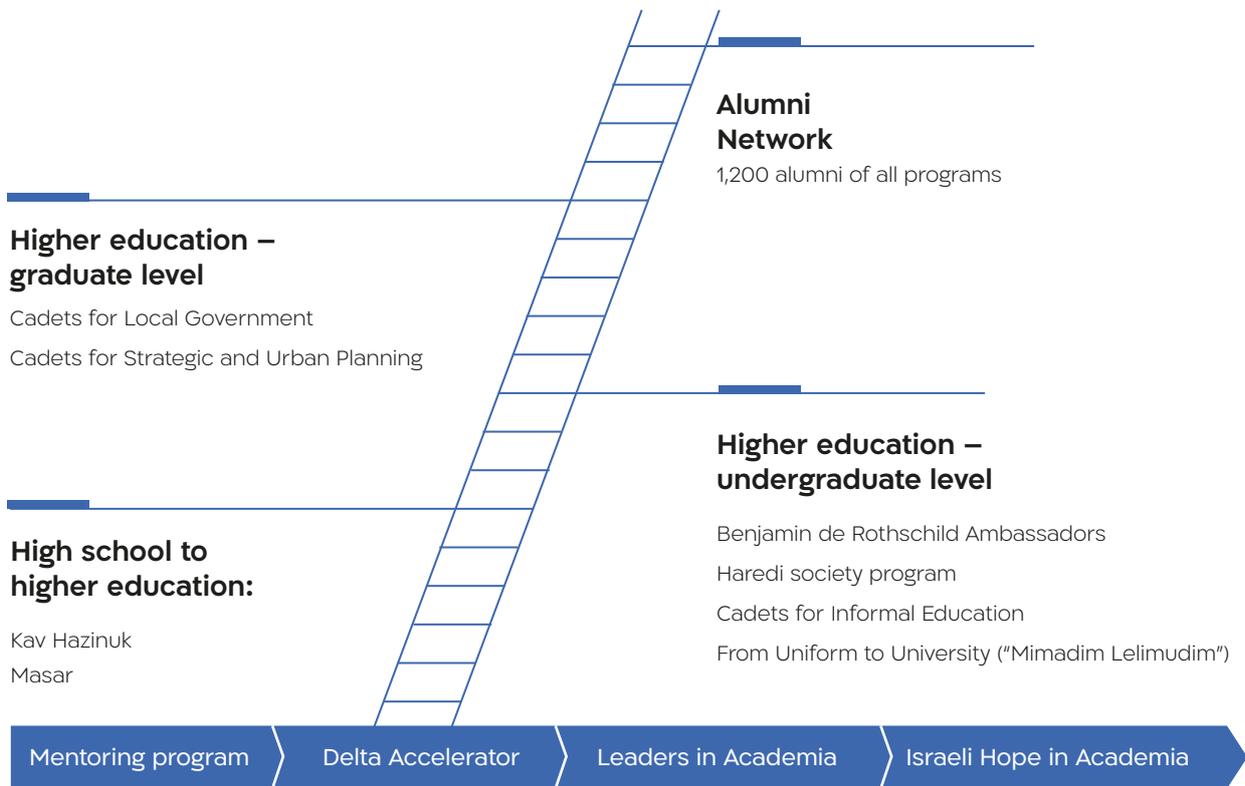
Equity

Socio-geographic periphery

Young Leadership

EdRF (IL)

THE ROTHSCHILD PARTNERSHIPS' CONTINUUM CONCEPT



GOALS

#1

To be Israel's leading expert organization in the development of **young, diversified leadership** in the periphery

#2

To enable program participants and alumni to achieve key positions of **impactful leadership** across Israel's social and business sectors

#3

To establish an active **network of leaders** – alumni who will impact and influence society in the spirit of the organization at the regional and national levels

#4

Develop stable, long-term strategic **partnerships** with the public, business and non-profit sectors who share the organization's vision

#5

To work towards ensuring **equal opportunities**, by developing a cadre of leaders who will reduce disparities between Israel's periphery and its center, thereby reinforcing Israel's socioeconomic and geographic peripheries

Equity

Socio-geographic periphery

Young Leadership

EdRF (IL)

KEY PERFORMANCE INDICATORS

KPI

Progress

STRATEGY

Preparing and approving a five-year plan increasing the organization's national impact

Writing the organization's 2021-2026 strategic plan. A 5-year plan was approved in 2021, with a budget of NIS 48 million, encompassing 1,200 participants.
In 2021, the organization developed new infrastructure areas in:

- Knowledge and development center
- Growth and partnerships center
- Human capital towards realizing the strategy and increasing the organization's impact in reducing disparities and impacting hundreds of thousands of people.

A 33% increase in turnover between 2020 to 2021.
20% employment growth with 15% of employees from the Arab society.

LEADERSHIP

Positioning the organization as an expert in the field of developing a young and diverse leadership
Collaborations with government agencies and public institutions

The following collaborations and support programs were created with government agencies and public institutions:
A 12 million NIS Joint Venture with the Ministry of the Interior
A 10 million NIS collaboration with the Office of the President on Diversity in Academia
An RFI proposal document for a joint project on Medical personal in the periphery and doctor brain drain with the Ministry of Health was submitted

DIVERSITY AND SHARED LIFE

Expanding diversity among program leaders and participants, as well as the organization's employees towards an appropriate representation for all groups composing Israeli society

Program leaders and participants:
Jews – 84% (their relative share of Israeli society – 74%)
Of them, Ethiopian Israelis – 1% (their relative share of Israeli society – 1.6%)
Arabs – 25% (their relative share of Israeli society – 21%)
During the May 2021 civil violence events, 100% of the participants chose to continue in the programs and developed an updated model for coexistence.

IMPACTING POLICY-MAKING

1. Introducing dozens of young leaders into municipal authorities in the periphery
2. Introducing dozens of young leaders into local government
3. Working with a lobbyist firm and involvement government resolutions

150 cadets entered the local government in 80 municipalities
25 Ambassadors entered the central government (positions in government ministries and agencies)
Introducing the leadership and transition (gap) year initiative for funding allocation for Government Resolution 922 economic development in Arab society and joining the JDC-TEVET's advisory bodies for implementing the transition year program
Integration of "Uniform to University" ("Mimadim Lelimudim") program into the national budget
To operate the Cadets for Informal Education program and upgrade it to a master's degree at the University of Haifa

Equity

Socio-geographic periphery

Young Leadership

EdRF (IL)

The Ministry of Health – advising and accompanying the creation of a national plan to build medical reserves in the Negev and Galilee

Office of the President – a continued collaboration in the Israeli Hope in Academia for the advancement of diversity, representation, and partnership in academia

SOCIAL ENTREPRENEURSHIP AND WORK TO REDUCE DISPARITIES

Improvement over 2018 in the aspect of social consciousness, drive in the employment and social realms, and self-efficacy and motivation to act to achieve a social change among alumni

25 social initiatives were established in the Delta program (a social entrepreneurship incubator) and in the framework of the various programs

Planning and execution of four large grants in emergency spanning some 700 participants, in 70 towns, and including information campaigns that reached hundreds of thousands

1,500,000 hours of work for the benefit of the community
In the 2018 evaluation study, only 53% reported being socially engaged; in 2021 – the number has risen to 80%

Three agreements for impact activities signed with partners, with a total budget of NIS 4.5 million: "Active Payis" for leadership workshops for students; mid-level leadership program in the Yeruham municipality, with emphasis on reducing gaps; the "Uniform to University" ("Mimadim Lelimudim") EdRF (IL) program, in which thousands of scholarship recipients will conduct hundreds of thousands of hours of work for the benefit of society each year

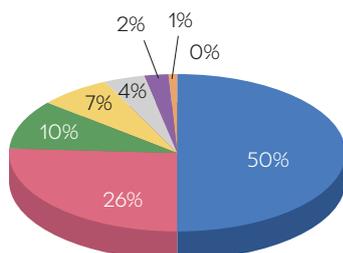
DEVELOPMENT OF AN IMPACTFUL ALUMNI COMMUNITY

A new infrastructure was built for the organization's alumni network, as part of which some 500 alumni participated in the network's various activities, which account for 27% of the programs
Alumni included meetings, courses and professional training sessions, involvement as volunteers in programs, etc.

LEVERAGING FOUNDATION FUNDS

Close to 100%

FUNDING



- EdRF (IL)
- Government Entities
- Mifal HaPais - The National Lottery of Israel.
- Other Philanthropic Foundations
- To be raised
- Other
- Commercial Entities
- Income

SDG Innovation



The EdRF (IL) programs in the field of impact entrepreneurship seek to create a local innovation ecosystem aimed at achieving the UN's Sustainable Development Goals (SDGs).

We assume a holistic approach from supply through intermediation (support) to demand. Whilst we are asset class, specific SDGs and vertical agnostic, we account for these elements in the models we design, implement and expand – to assure the creation of an independent and sustainable future market.

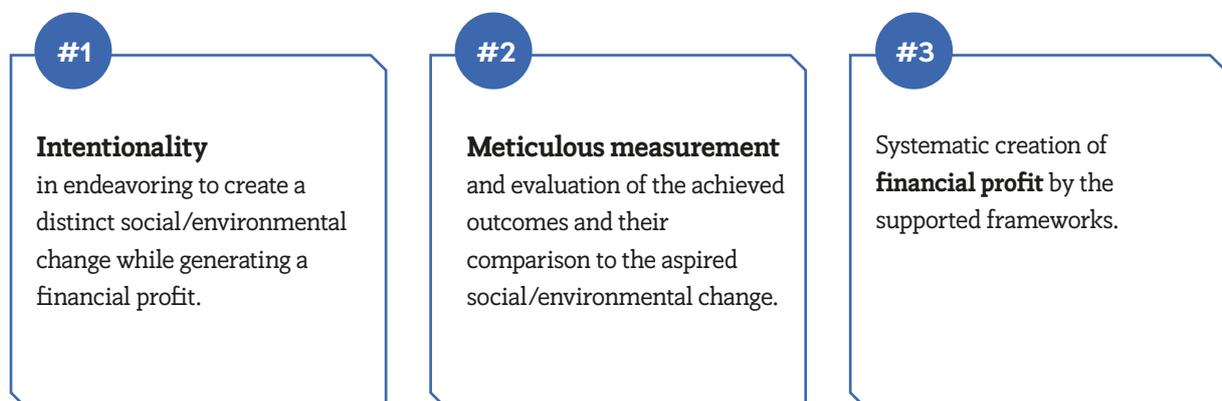
Our strategy is designed to address three levels of ecosystem development: the Israeli ecosystem as a whole, hyper-local ecosystems (i.e., within specific areas, communities and social verticals in Israel); and Israel's

unique role and potential contribution to the global ecosystem.

Rooted in a long philanthropic tradition of sector pioneering and building, the Foundation's strategic measurement and management practices enables it to evaluate key interventions on the micro and macro levels, engage a variety of stakeholders, and create strong coalitions, while remaining faithful to our higher-education mandate.

To achieve our goal of creating an Impact Economy in Israel, we have adopted a model-based approach – creating innovative models that can be piloted, tested, and replicated allowing us to build and strengthen the infrastructure required for the Israeli ecosystem.

The Foundation views SDG innovation through the prism of three main indicators:



The growth of the local SDG innovation ecosystem in Israel encourages the flow of new economic capital and catalysis disruptive entrepreneurial efforts as well as aids in the development of products, tools, and methods for addressing pressing global challenges. This is done through diverse, sustainable and effective solutions in sectors such as agriculture, renewable energy, and access to basic, high quality fairly priced, services including housing, healthcare, and education.



KEY PERFORMANCE INDICATORS

KPI

Progress

Supply – Increasing the supply of capital aimed at SDG innovation in Israel

In 2021, the Foundation deployed a \$1M Matching Grant, increasing the amount of capital in the ecosystem by \$2M in 2020 alone and attracting 21 new or re-committed funders into the ecosystem. The Foundation has also facilitated three investments, totaling at \$500,000 for startups with strong ESG parameters, founded by Arab-Israeli entrepreneurs.

Demand – Increasing the demand of capital aimed at SDG innovation in Israel

The Foundation helps a total of 206 entrepreneurs (from ideation to scale) working on creating SDG solution in Israel and the MENA (Middle East and North Africa) region.

Awareness and Education – Promoting awareness of the importance of SDG innovation, by working with the academia to educate the next generation of entrepreneurs, investors, business leaders and the general public

In 2020, the Foundation funded 12 new academic courses in SDG innovation, across verticals and asset classes, in 10 academic institutions in Israel. In 2020-2021 the Foundation launched and recorded five podcast seasons interviewing over 60 experts in the field of impact. The podcast has over 10K listeners.

Policy – Working to change policy and regulation in favor of SDG innovation

The Foundation is the largest donor to the Israeli National advisory board for impact innovation (IFIE – Israel's Forum for Impact Economy), part of the Global Steering Group mandated by the G20 countries. Two models created by the Foundation (to promote supply-support and demand for SDG innovation within the Arab community in Israel) are currently being adapted by two ministries. Furthermore, the Foundation funds the placement of four fellows in government ministries, where they work to promote SDG-related policy.

Partnerships – Creating and promoting cross sectorial partnerships aimed at SDG innovation in Israel

Partnerships (private and public) – private sector giants such as ebay and Vintage Capital Partners have partnered with the Foundation to provide capital and services to programs run by non-profit organization.

Eco system development

Sustainability

Impact

EdRF (IL)

MATCHING GRANT 2020

\$4M

total new funding to
eco system

50

funders

37

organizations
applied

22

organization
chosen

In partnership with the Jewish Funders Network, EdRF (IL) has created a \$1 million matching grant to strengthen the ecosystem of SDG innovation in Israel and generate greater ongoing philanthropic commitment to the field.

The first grant was launched in 2018 and, in light of the tragic global ripple effect of the Covid-19 pandemic. In 2020, the Foundation recommitted to building and strengthening Israel's SDG ecosystem as a pillar of sustainable social resilience.

The pandemic has offered private and public sector actors with an opportunity to reflect on the structures in place and reimagine a future that is more resilient and nimble. The field of SDG innovation is uniquely positioned

to addressing unmet social and environmental needs, alongside a financially sustainable business model.

The Matching Grant funds, organizations and projects that create and foster the infrastructure necessary for SDG innovation to thrive in Israel including new tools, models, frameworks and programs aimed at generating sustainable and meaningful social/environmental change.

It aims to promote cross-sector collaborations and prompt the field of higher education in Israel to become a key player in the ecosystem.



“The ERDF-JFN Impact matching grant helped us expand the scope of our work and explore new opportunities for collaborations between the non-profit and private sectors in Israel. In building the Pears Program-IsraAID pilot fund, we collaborate with companies whose technologies have high implementation potential in the humanitarian field. We leverage traditional philanthropic funding to create new growth opportunities for Israeli companies and build their capacity for operation and scaling in humanitarian settings, thus enabling them to increase their global impact and play a greater role in addressing the SDGs”

Hagit Freud

Managing Director, Pears Program for Global Innovation

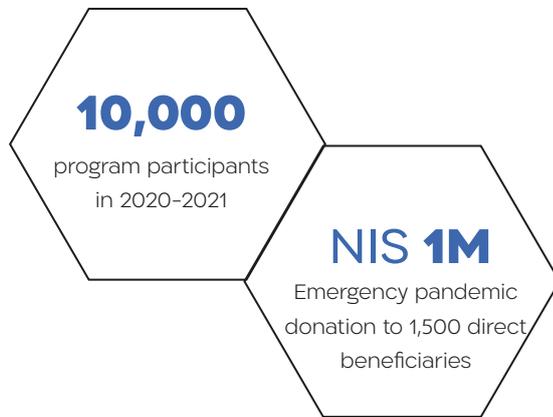
Eco system development

Sustainability

Impact

EdRF (IL)

Access to and Success in Higher Education



This field seeks to provide young adults from underrepresented communities with access to higher education, enabling them to succeed – and translate their higher education into commensurate employment, towards advancing social mobility.

We do this in light of the understanding that higher education is a proven key to social mobility, both because it is a meeting point between members of different groups in society and because of the skills and abilities it imparts. Research shows that in comparison with the general population, young adults from the social and geographical periphery of Israel are underrepresented in higher education institutions, especially in universities and in

highly selective fields of study, which provide graduates with opportunities to integrate into high-quality job placement. In addition, the dropout rate from undergraduate studies among these young men and women is higher than that of the general population. Even those who manage to pass the bachelor's degree hurdle encounter difficulties in integrating into the employment market in jobs appropriate to their academic training. These findings help explain why socio-economic gaps between Israel's center and periphery are maintained, as well as the difficulty in promoting social mobility among young adults from the periphery.



To realize the Foundation's vision in the field of access to and success in higher education, our strategy includes:

1#

A continuum of solutions

We partner with various stakeholders in initiatives and social programs which provide responses to the various challenges along the continuum; guidance; success in higher education and reducing dropout rates.

2#

Program initiation and development

The Foundation initiates, develops, and accompanies programs from the pilot and proof-of-concept stage to the scaling and leveraging of proven models and the implementation of successful models of intervention in sustainable channels.

3#

Policy promotion

We work in the field's wider contexts, with the goal of positioning and advancing the issue of access to and success in higher education on the public agenda, including by strengthening working relationships with relevant decision makers.

4#

Knowledge development and dissemination:

Initiation of research and enrichment of the knowledge in the relevant fields of study, leading and participating in professional conferences.

5#

Creating a professional network:

For the benefit of strengthening the ties between stakeholders, sharing knowledge, and joint learning.



KEY PERFORMANCE INDICATORS

KPI

Progress

Access and guidance

Acceptance of students from peripheral communities to studies in leading academic institutions and competitive departments with a high employment potential

Approximately 650 young adults from periphery populations participated in Foundation programs in the area of access and guidance to higher education, most of them are integrated in academic tracks in higher-education institutions.

Reducing dropout rates

Increasing the numbers of students from peripheral populations who successfully complete their academic education, with the aim of reducing dropout rates by 20-30% in selected departments

In 2020-2021, the Foundation took part in four programs working to reduce dropout rates of students from various populations. The results: among Ethiopian Israelis – 9.4% dropout vs. 33%; among students from Arab society – 22% vs. 29%.

Translating education into commensurate employment

A significant increase of the percentage of young academic graduates who work in employment commensurate with their education and which provides them with opportunities for professional development and social mobility

The Foundation's programs in the field higher education-to-employment spanned 2,500 students from periphery populations in the past year. The participants gained employment experience, acquiring skills, capabilities, and connections in the employment market. The placement rates of program participants into commensurate employment are 75-85%, in comparison with 20-45% among young adults from similar backgrounds who do not participate in intervention programs.

Advancing policy and developing the field

With the goal of placing the issue of access to and success in higher education, with its different aspects, on the public agenda and advancing it

The EdRF Center for Higher Education and Employment was founded in late 2020. A professional entity whose goal is to establish and reinforce the bridge between higher education and employment, towards an increase in the integration of academics into commensurate employment with high wages, which would facilitate social mobility and contribute to work productivity in the market. The center has three arms: Programs and infrastructures; knowledge, research, and policy; and establishing a professional standard for the field.

Developing sustainable economic models in the field of access to and success in higher education which provide both social and financial values

The development of Innovative, sustainable financial models with a high social ROI: EdRF (IL) initiated the creation of Israel's first social impact bond, aimed at reducing dropout rates of computer science students from Israel's University of Haifa and from the Academic College of Tel Aviv-Yafo. In 2020-2021, the innovative financial model proved successful, decreasing dropout rates by 30% on average in comparison to the historical benchmark. Moreover, 77% of graduates were able to find tech-related employment based on their degrees. The University of Haifa adopted the model, incorporating the intervention model and establishing a dedicated directorate to reduce dropout rates.

THE NEXT STEP – AN INTERNSHIP INITIATIVE

8,000

participants
over the years

22

academic
institutions

30%

Provides higher chance
of finding employment
in the field of study

NIS 10,500

addition to the annual wage
(on average) in the five
years following graduation

95%

of the employers would recommend hiring
interns to their colleagues

The Next Step was originally founded in 2021 as a collaboration between the EdRF (IL) and the NGO Aluma, with the aim of bridging the worlds of higher education and employment. The Next Step is the largest internship program in Israel, operating in 20 academic institutions among students from the general population, Arab society, Haredi society, and students with disabilities.

In 2019, following the Foundation's efforts and the program's success, it was scaled up with the support of the Council for Higher Education's Planning and Budgeting Committee (PBC), which approved a three-year joint initiative to expand the internship program and implement it in all budgeted academic institutions, with special focus on the social sciences and humanities.

Due to Covid-19 and the ensuing employment crisis, in 2021, the internship program received an additional NIS 30 million of budget support to enable the project to expand and provide internships for 10,000 students a year for the next three years.



“The program gave me tools and capabilities in the employment market, and opened for me a network of new connections. At the end of the internship, I received a job offer as a digital marketing manager. The internship opened the door to the employment world, and I recommend it.”

Tal Marom, Sapir Academic College,

Technological Marketing Track

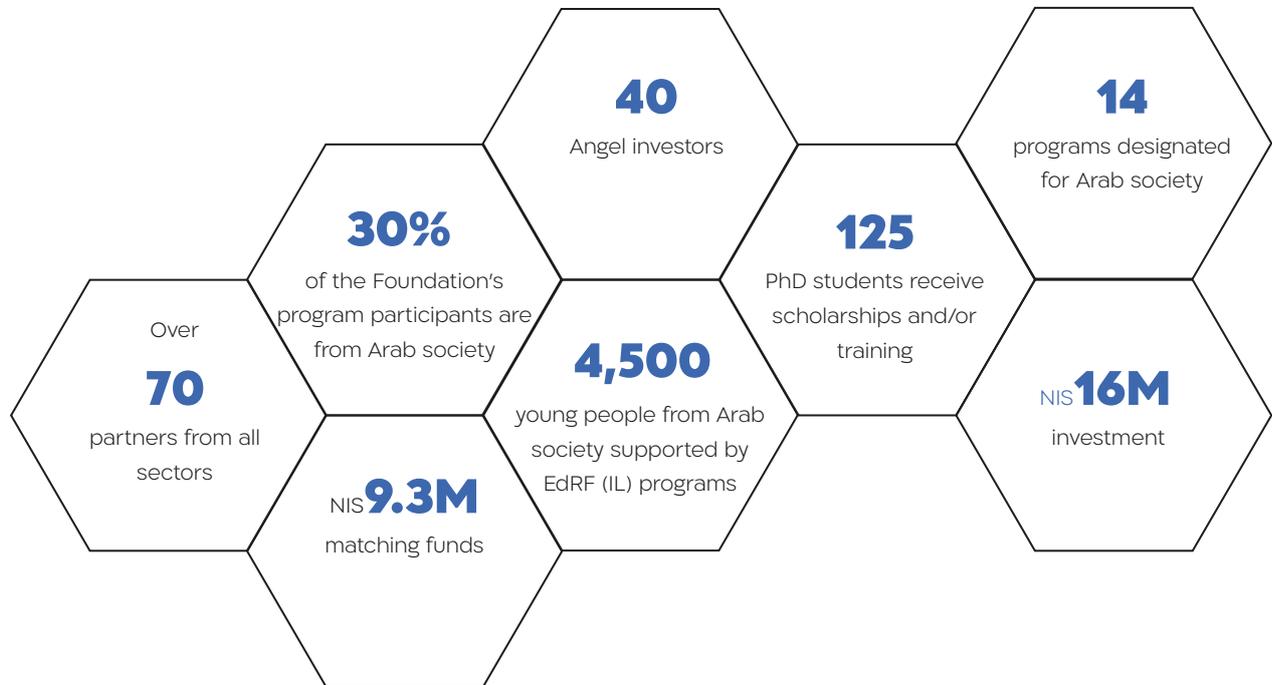
Social Cohesion

Influence

Mobility

EdRF (IL)

Joint Society in Israel



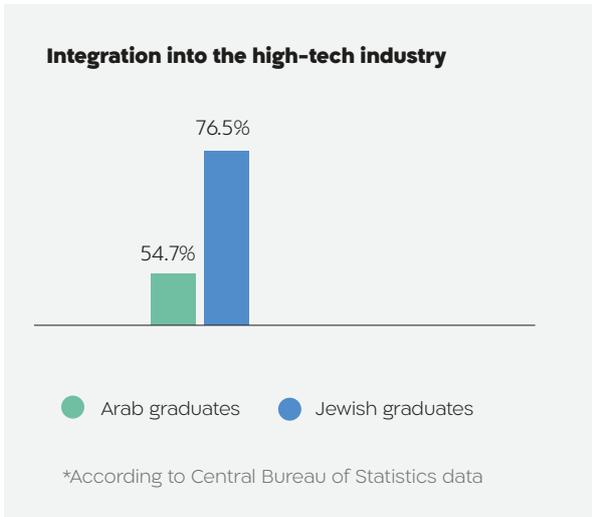
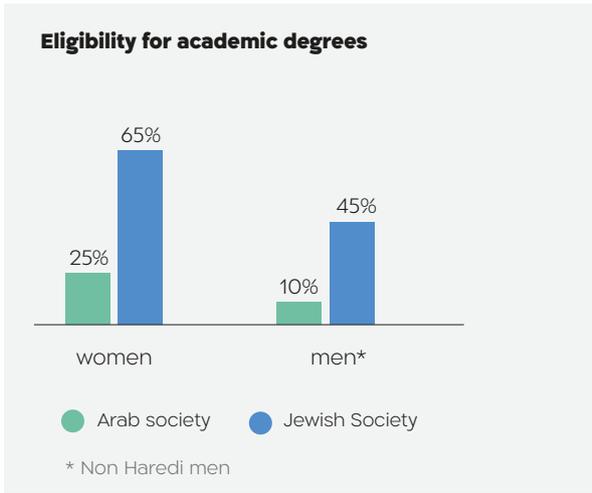
Programs and initiatives in the field of joint society in Israel seek to promote a cohesive and inclusive society in Israel, composed of diverse identities that enrich each other and operate out of mutual respect and responsibility. An essential condition for realizing this vision is the narrowing of social gaps and the promotion of equal opportunities, enabling every individual to succeed in his or her own way, while realizing his or her culture, ideology, and needs.

One of the Foundation's target populations is Arab society in Israel, which accounts for over 21% of the state's total population, and endures significant gaps in a variety of areas from the state's Jewish population.

The Foundation views higher education as a crucial springboard for attaining equal opportunities and reducing social gaps. It therefore invests considerable

resources in making higher education accessible to excluded populations and in fostering excellence and employment among them. As well as developing knowledge, leadership, and supporting the establishment and growth of the Arab society impact innovation eco system.

We believe that the mosaic of identities that constitutes Israel's society is an invaluable opportunity to develop a rich and vibrant fabric of life that, through diversity and partnership, engenders a healthy and progressive society in which the common good is enhanced. Narrowing the gaps between Arab society and Jewish society is both fair and economic. Fair, because it leads Israeli society to become more just, cohesive, and inclusive. Economic, as the full integration of Arab society into the economy while ensuring equal opportunities to all provides a significant lever of economic development for the State of Israel. Reducing disparities will enable to create an inclusive and



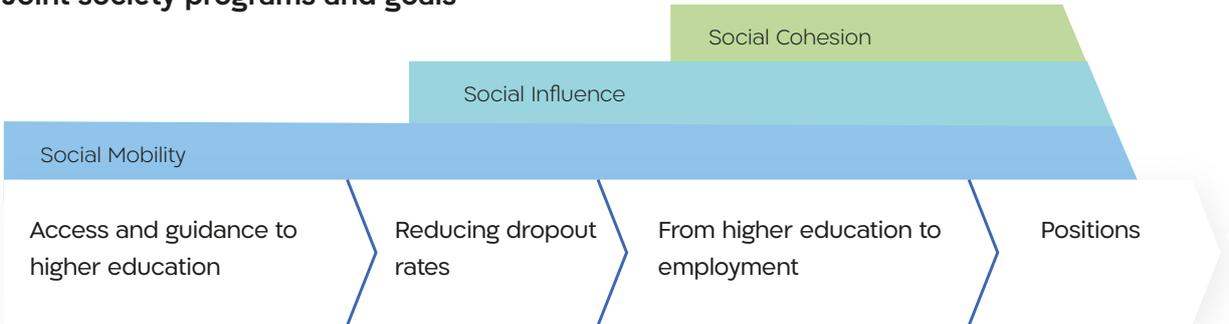
- 8%** → Arab society's contribution to the GDP
- 17%** → of all students in Israel are from Arab society
- 30%** → of all students from Arab society drop out of higher education in the transition from the first to the second year
- ONLY 0.3%** → of all management positions in the private sector are filled by members of Arab society
- ONLY 3%** → of 12th-grade students in Arab schools have the potential for integration into elite employment – about 1,000 students in each class (every year)
- 37.4%** → the employment rate among Arab women 25–64 years old
- 76.1%** → the employment rate among Arab men 25–64 years old
- 30.4%** → of the young people (18–19 years old) in Arab society are “inactive” – not working or studying

Create tailored programs dedicated to answering the gaps, needs, challenges identified within Arab society.



Develop customized schemes enabling better integration and addressing unique needs of Arab participants in the foundation's general programs (for Arabs and Jews)

Joint society programs and goals



KEY PERFORMANCE INDICATORS

KPI

Progress

Optimal integration of young people from Arab society into employment commensurate with their field of studies, abilities, and experience

- Approximately 80% of the students in Foundation programs that prepare participants for the employment world are integrated into commensurate employment
- 900 students from Arab society participated in preparation for employment training (2021-2022)

Development of the next generation of researchers / entrepreneurs / investors from Arab society

- Five designated programs
- 51 participants
- 125 PhD students in the sciences trained
- NIS 1.5 million in grants for investigators from Arab society
- Development, training, monitoring, and positioning agents of change in Arab society – an investment of \$500,000 in three different start-ups

- Partnering in the establishment of a network of donors from Arab Society
- Working to raise philanthropic funds for the education-to-employment field from Arab donors

- 14 philanthropists joined the network
- Creating a training plan for network members
- Raising NIS 500,000 for the education-to-employment field from Arab philanthropists

Cultivating investors

- Raising NIS 2 million from Arab angel investors
- 40 new angel investors in Foundation training, with an investment of NIS 1 million



MASAR – PRE-ACADEMIC LEADERSHIP FOR YOUTHS FROM ARAB SOCIETY

100%

of the program first cohort's alumni integrated into academia and continued to a second study year, while the dropout rate among Arab students in the transition from first to second year is 30%

10,000

Approximately hours of social action

64%

of the alumni study science or engineering

75%

of the program's alumni study in Israel's universities, in comparison with 17% from among the Arab student population

prosperous social fabric and sustain an optimal and pleasant relationship between the Arab and Jewish populations, while reducing tensions between them.

A pre-academic leadership and academic preparatory program founded in 2018. Its first cohort took place at the institute in Kafr Qara and today the program operates two institutes, one in Wadi Ara and the other in Arraba. The program is designed for post-K12 youths from Arab society headed for academic studies. Its main goals are to foster leadership among Arab youths and prepare them for academic life, by providing them with tools and skills that will serve as students, with the understanding that the Arab student faces many barriers and difficulties, with the central one being the language barrier.

Program participants receive academic guidance and direction by an academic advisor, spoken Hebrew instruction, an academia-simulation course, training in

message delivery, preparation for the psychometric exam and the Hebrew Proficiency Test (YAEL), familiarity with Israeli society in general and Arab society in particular, through weekly tours and seminars geared at getting to know the other, the area, the world of academia, and the labor market.

In addition, participants are trained and gain experience in leadership and entrepreneurship, as part of the Masar program is devoted to social issues, social impact, and activism. They are exposed to models and methodologies for social change and receive opportunities for impact through the organizations in which they volunteer and for establishing initiatives aimed at creating social change in Israeli society in general and in Arab society in particular. Participants' development is conducted mainly as a group process, alongside an individual process, as their

"I came to the program confused, like my friends – not knowing what we wanted to study and how we would manage to study far away from home, without good knowledge of Hebrew. The program gave me tools to understand the various options, as well as a gateway into the different cultures and populations living here alongside us, such as Haredi society."

Rima Ossama Darawshe

A 20-year-old pharmacology student at Ben-Gurion University who plans to go to medical school.

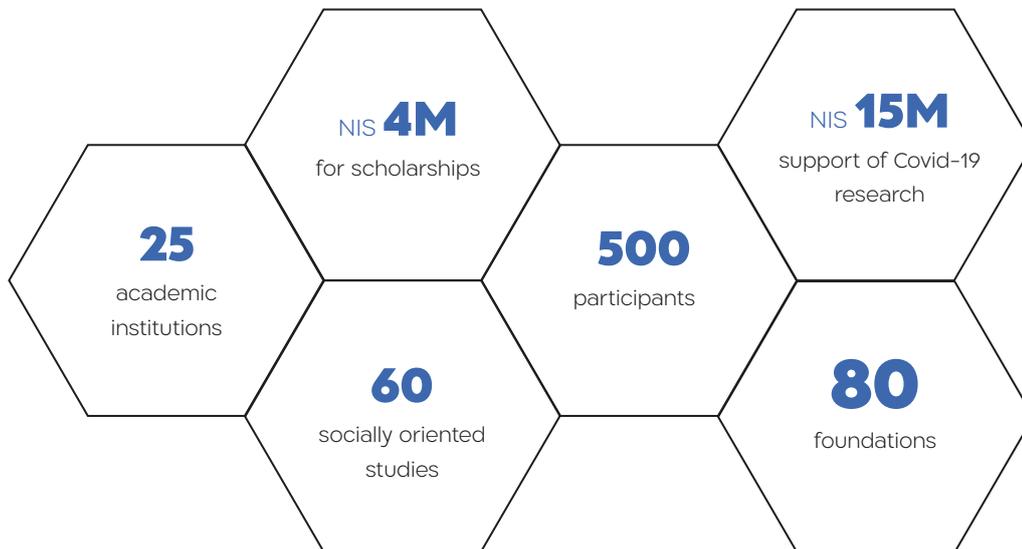
Diversity

Knowledge

Excellence

EdRF (IL)

Academic Excellence



Through our commitment to academic excellence and higher education, we are able to strengthen Israel's communities and significantly contribute to the growth of its economy. Our programs provide a unique framework that enables students from diverse backgrounds to be at the forefront of new discoveries and cutting-edge research, unleash their creativity, and ensure that they thrive in the challenging world of academia, to deliver impactful outcomes on society as a whole.

We seek to develop the next generation of world-class scholars, advance innovative and disruptive academic research, and assist and support the professional growth of Israel's philanthropic sector.



Our strategy is comprised of three main pillars:

1#

Diversity in academic excellence: Providing an elaborate and tailored framework addressing the dynamic needs of young scholars from the humanities and exact sciences in their academic journey.

*

The Ariane de Rothschild Women's Doctoral Program in collaboration with top research academic institutions

*

Caesarea Maritime Project, academic research on latest findings in Caesarea Harbor, in cooperation with NYU, TAU, IAA

*

Rothschild - Technion Program for Excellence— supporting the top 1% of BA students in a tailored academic program

2#

Knowledge development: Structuring a platform for the development of new knowledge and for tackling challenging disciplines with strong potential for social and financial impact in the Foundation's areas of interest.

*

Research open calls to higher education's research units

*

The Edmond de Rothschild Research Series

*

Coronavirus research — a national effort to find healthcare solutions; investigate the impact of Covid-19 on higher education in Israel; and create a knowledge base about the disease

*

Handpicked knowledge development on key issues, mapping, support for decision making, lessons learned

3#

Philanthropy at its best: Promoting the sharing of philanthropic best practices and supporting the professional development and infrastructure of Israel's growing philanthropic sector in cooperation with universities in Israel and abroad.

*

Philanthropy as an academic discipline — the development of four studies about Israel's culture of giving

*

JFN — international conferences, Center of strategic philanthropy

*

Forum of Philanthropy in Israel — first interest group on higher education in Israel, strategy development

*

Center for law and philanthropy at TAU — supporting the philanthropy lab for research purposes

Diversity



Knowledge



Excellence



KEY PERFORMANCE INDICATORS

KPI

Progress

To increase the number of young female scientists from diverse backgrounds in key positions in Israel's higher education institutions

- The direct outcome of our program is -20% of women in academia from the Arab society will reach key positions (as opposed to 8% organically) - including tripling the number of Arab PhD female scientists
- 11% from the Haredi/orthodox community, vs. 2% in the academia in Israel
- First Bedouin PhD scholar in Computer Science

To strengthen skills and build female scientists' networks

- Two community-building events per year
- Over a dozen events annually, dedicated to skill development (soft skills and professional development)
- Motivational and inspirational sessions
- Over NIS 400,000 (support) per scholar over four years

To develop new academic research on higher education in Israel, with focus on the Foundation's five areas of interest

- 10 new open calls for research
- 25 collaborations with institutions, NIS 6 million in research support, 60 papers published

Promoting Covid-19 knowledge and resilience

- 20 research studies, NIS 15 million

Promoting and enhancing the professional practices and collaborations in the field of philanthropy

- 46 professional training sessions
- 100 training hours
- 26 enrichment sessions
- 50 enrichment hours

Impacting, empowering, and inclusion of peripheral communities; empowering scholars as role models to Israeli youth in at-risk populations

- 4,000 volunteering hours annually by PhD scholars in underserved communities
- Over 200 beneficiaries from low income and disadvantaged communities throughout Israel



Diversity

Knowledge

Excellence

EdRF (IL)

ARIANE DE ROTHSCHILD WOMEN DOCTORAL PROGRAM

NIS **4M**
in scholarships

120
hours of content
enrichment

35%
of the alumni in key
positions

24%
represent the Arab
society

68
PhD scholars

47
program alumni

5
academic
institutions;

3,800
volunteering hours per
year

X3
Representation of participants among Arab society, in
relation To other academic institutions

11%
of the program's participants are
from religious/Haredi society

The Ariane de Rothschild Women's Doctoral Program grants scholarships to outstanding female PhD students, engaged in various fields of study at research institutions in Israel. As part of the Baroness's efforts to promote equal opportunity for women around the world, the program supports talented and motivated women from diverse backgrounds through their doctoral studies.

The program was inaugurated in 2009 at The Hebrew University of Jerusalem, and has since grown to include the Technion, Tel Aviv University, the Weizmann Institute of Science, and Ben-Gurion University of the Negev. Each year, 20 new female PhD students from diverse backgrounds are accepted into the program and four new scholarships are awarded to outstanding female students

in each institution. Participants also receive a one-time research grant. Furthermore, the Foundation has developed a holistic enrichment program for the participants, encompassing professional training, workshops, and social activities. Among these are hundreds of volunteer hours working with underserved populations tackling critical challenges in the Israeli society through which the Doctorates become role models and a catalyst for change.

"I feel like I belong to a very special "family" who care and help me advance my academic career, a sense of belonging to a successful community, and great female role models".

Dina Zaleznik

PhD candidate, HUI 2020

Diversity

Knowledge

Excellence

EdRF (IL)

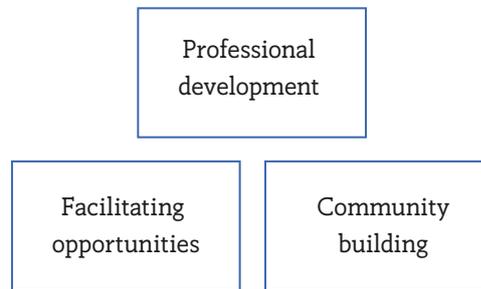
EdRF Center -The Arts

The Edmond de Rothschild Center works to promote and nurture emerging artists and designers who graduated from Israel's art and design academies during their initial years of professional activity. The Center's work is based on collaborations with the education institutions and focuses on providing the artists with tools and development of their professional skills in the early career stages.

Supporting the field of art is a multifaceted endeavor. Our efforts are diversified and include a variety of art fields in which we promote diversity, champion emerging artists, encourage fair employment, enable young artists to pursue their dreams and ambitions, giving expression to the needs of communities across Israel. We motivate young graduates to engage in art studies and reassure them in their pursue a professional career as independent creators and art professionals. Through these efforts we try to ensure the artists' relevance in the post-academic ecosystem, as well as their financial success.

The current period presents the art and culture world with new and unique challenges. Throughout the global health crisis and lockdowns, the EdR Center continued its operation and initiated new contents, while using technology and social networks to maintain continuity of both the exhibitions and the training programs. With the opening of the new academic year in Israel's art and design institutions, we are pleased with the impressive response to continue the collaborations and expand ties.

The strategy for the Foundation's promotion and support of the field of arts is based on three main axes of activity:



OPPORTUNITIES:

Temporary group exhibitions featuring young artists

12	4,500	145
exhibitions	visitors	participants in group exhibitions at the EdR Center's gallery

The exhibitions' curators are all independent curators, relatively early in their professional journey. Facilitating mentoring and collaborations between senior curators and assistant curator, who have recently completed his/her studies. All artist exhibiting at the EdR Center are paid an artists' fee and production costs, in order to encourage new artistic creations. By the end of 2020, the EdR Center featured some 70 artists who completed their art or design studies in the past five years. The exhibitions provide significant exposure and resulted in the exhibiting artists being invited to present their works in other group and solo exhibitions in galleries throughout the country. In addition, through the exhibitions, the EdR Center was exposed to key figures in the art and design community, including journalists, senior artists, designers, and others. It should also be noted that the 2021 exhibitions received impressive reviews in the press.



Looking Forward to Academia

6	12	116	86%
centers	institutions	participants	of the participants achieve higher education and employment

A long-term program that trains outstanding 16-18-year-old youths from Israel's social and geographic periphery in the field of art. The program's goal is to prepare participants for studies in academic institutions and to integrate them into the world of art and communication in Israel. The program also aims to counterbalance the under-representation and under-coverage of minority groups in Israel in the world of art, by addressing gaps in general education and in academic education.



The Bezalel Excellence Center for Art and Design and the Umm el-Fahm Gallery

2	60	NIS 1.8M
cohorts	participants	budget

Established to bring high-level training in the arts to talented youths from Arab society and to create for them new higher-education opportunities in the arts, the center's activities include weekly gallery meetings on various topics in the art world, exposure to artists and higher education institutions in the field, personal guidance for participants, creating a portfolio, and more.



Bezalel Studio Residency Program

1	16	600	NIS 921k
Cohort	participants	participating school students	budget

Aims to make art accessible to elementary school children from diverse backgrounds. It places recent alumni and students from Bezalel Academy of Art and Design, who are interested in contributing to the community and view art as a tool for social change, as art residents in schools in disadvantaged neighborhoods in Bat Yam and Jerusalem. The resident students teach the children the basics of an artist's work and expose them to fundamental concepts in art.



Culture

Livelihood

Professionalism

Creating Livelihoods

156

participants in a professional development program for artists and designers

Professional training program: Established in May 2020, the program equips artists and designers with tools, professional guidance, and mentoring sessions with experts, in order to establish themselves professionally, provide them with access to the local art field and advance their integration within it. The center offers two separate professional development programs, which take place several times a year, each tailored to the unique needs of the artists and designers.



The Edmond de Rothschild Design Award

NIS 575,000

per year

Aimed at promoting excellence and encouraging diversity and new creativity in the design industry. In 2020-2021, awards were bestowed to four established designers and four emerging designers, in the fields of Visual Communication Design and Product Design. The award included extensive exposure, publicity, prestige and a sum of NIS 45-90K per award.



COMMUNITY

Promoting Collaborations

2

group exhibitions

40

participants

In 2021, the EdR Center built ties with other art centers and exhibition platforms, which enabled members of the alumni community to participate in group exhibitions. Such opportunities serve as a bridge for the young artists and designers from the training phase to the active exhibition phase. These collaborations aim to increase exposure for the alumni community and the EdR Center across the country.



Culture

Livelihood

Professionalism

EdRF (IL)

The Incubator Program for Artist and Designers

40	11	10	45,000 NIS
submissions	participants	seminars	in grants

launched in November 2021 and open to the alumni of the EdR Center's professional development program, it constitutes the launch pad for our alumni community programs. Its purpose is to continue accompanying the program alumni in their artistic and professional paths, and to foster collaborations and working relations in the field of art and design.

The Incubator, through the Center's staff and curators, provides ongoing, intensive, and in-depth guidance. In addition, it will provide an artist's fee.



“The program gave me tools and capabilities in the employment market, and opened for me a network of new connections. At the end of the internship, I received a job offer as a digital marketing manager. The internship opened the door to the employment world, and I recommend it.”

Firas Nassar

Actor, Graduate, Looking forward to Academia

Covid-19

As part of the Foundation's deep commitment to Israeli society, upon the outbreak of the coronavirus pandemic, a decision was made to expand the activities and assist Israel in coping with the health crisis.

AS SUCH, EDRF (IL) HAS PROVIDED SUPPORT BY:

1#

Strengthening the medical system

NIS 50 million in emergency grants to Israel's hospitals and for machinery, medical equipment, protective gear, detection devices and research in the field

2#

Research

Supporting research on different aspects of coping with the pandemic

3#

Strengthening Arab society

providing targeted assistance to the nonprofit organizations it supports coping with the crisis

4#

Leadership and innovation

Thousands of volunteers mobilized – participants in various Foundation programs – who have initiated dozens of projects across Israel for the benefit of its society

Strengthening the medical system:

Urgent Hospital Support

The Edmond de Rothschild Foundation has donated NIS 50 million to 22 hospitals, helping them meet their immediate needs during the coronavirus crisis



100

new ventilators



15

CPR machines



11,000,000+

protective gear units for medical staff



150+

intensive care beds, hospital beds and mattresses



110+

monitors and related equipment



9

unique coronavirus detection and disinfection systems



1,000,000

masks

Mutual responsibility

Health

Resilience

EdRF (IL)

Research

EdRF (IL) donated NIS 15 million to The Hebrew University of Jerusalem, to support research aimed at finding a vaccine for the coronavirus, through antibody discovery and production.

The donation was also put towards the develop of an advanced method for faster coronavirus testing, in collaboration with the Hadassah Medical Center, and to fund a range of research studies on different aspects of coping with the pandemic.

Strengthening Arab society

EdRF (IL) established a local coronavirus emergency response center in Jisr-a-Zarqa. The Foundation has extensive ties with Jisr a-Zarqa and assists the local council's residents, and during the coronavirus outbreak, it led the establishment of a local emergency response center through an investment of NIS 2 million. The center distributed information, food and medical supplies, as well as hygiene kits, collaborated with the local authority and the Edmond de Rothschild Partnerships organization.

To date, a scarcity of resources has prevented the local community from establishing an emergency center or system that would address residents' inquiries and provide assistance in coping with the coronavirus crisis. In addition, throughout Arab society across Israel, an inadequate response by the various authorities has resulted in a significant lack of knowledge and tools to deal with the outbreak and its implications. The Foundation's entry into the community, with numerous volunteers and in collaboration with local leadership, led to a sharp drop in the number of patients.



Leadership and innovation

In the shadow of the Covid-19 pandemic and its effects, the Rothschild Partnerships initiated projects to help Israeli society in the periphery to cope with the crisis. The organization continued the activity of its 1,000 program participants and 1,200 alumni, while adjusting it to hybrid platforms and providing support to those among them who encountered difficulty, as well as to Israeli society as a whole, through an effect rippling to more than 400,000 people annually.

Activities in the Covid era in peripheral populations: Coordinating the activities of some 650 volunteers in 60 towns throughout Israel, who provided information about how to deal with the pandemic in Arab society; led the distribution of 6,500 food baskets; built a national intervention model to address Covid, which was implemented in Jisr a-Zarqa and led to its removal from the red town list; and more.



EDR PARTNERSHIPS - COVID PROJECT ACTIVITY CHART

2020

Launching a national project with the involvement of 650 participants and alumni, for establishing emergency response centers in 50 towns (40 Jewish, 13 Arab) across the country

Food basked distribution project – 1,500 food baskets in 10 towns in Israel (donated by the EdRF (IL))

March – May

Development of models and their submission to the government:

- 1) Building local leadership in routine times for action in emergencies.
- 2) Emergency activities in Arab towns.

May – July

Partnering with the EdRF (IL) in the Jisr a-Zarqa project: Establishing an emergency response center, a public communication center, distribution of food and hygiene products. Jisr no longer on the Covid morbidity map

June

Opening a new year of activity, adjusted to the new reality across all the organization's programs, encompassing 1,000 participants

April – July

Collaborating with various organizations who want to learn our model: Israel Reserves, Maoz, Mifal Hapayis, partners, religious Zionism, etc.

September

A project to distribute 5,000 food baskets (donated by the EdRF (IL)) in 17 towns in Israel's periphery

April – December

2021

December – April 2021

Mutual responsibility

Health

Resilience

Caesarea Development Corporation & Assets Corporation

participation in a significant peer group provides them with the social framework and platform for the forging of a personal identity.

In recent years, the Caesarea Development Corporation (CDC), and the Caesarea Assets Corporation (CAC), have set themselves the goal of being a role model in the Israeli business environment, combining quality and profitable business operations while maintaining the principles of sustainability, transparency in its areas of activity and corporate responsibility.

Implementation of the Environmental Protection Policy for Sustainable Development has become a standard requirement for all the CDC's activities. In our view, the CDC, as an essential factor in the region, has an increased responsibility to preserve and protect the environment along with the development of the area.

In fact, in light of the special standing of the Foundation, CDC and CAC in relation to the Caesarea lands, and in light of the fact that protection of the environment is one of the CDC's guiding principles, in many ways the CDC serves as a "regulatory authority" in respect of various actions related to the environment and preservation of the water system (see details below).

For instance, the Foundation, the CDC, the Water Authority, and the Mekorot company have a long-term cooperation in which the Foundation has enabled Mekorot to build on its property the Nehalei Menashe Water Plant, alongside which the thriving business and

industrial park was established.

Thus, although the CDC is a private corporation, it partners with the area's municipalities in the regional wastewater treatment plant treatment plant, aiding in water preservation.

The Foundation and the CDC's vision regarding environment protection, and the various actions taken by the CDC in order to carry out such vision, have led to the establishment of a thriving high-tech and industrial park that provides employment to thousands of people, and of a flourishing residential area populated by thousands of families. These serve as an example and model of how to combine the various principles.

The CDC's & CAC's leadership and management team recognize the importance of environmental management and sustainability and the need for action to continually improve performance in environmental areas in parallel to conducting our business.

The CDC pursues land improvement by making Caesarea a model town in Israel, developing an industrial park as well as its tourism sites and recreation for the benefit of all of Israel's residents. Our vision is to create the best place for life, work and leisure. The CDC is the EdRF's executive arm, and is actively seeking to reduce social inequalities through higher education and social commitment.

Since the outbreak of the Covid-19 pandemic, the CDC has rallied to assist its clients, the Caesarea residents, and the businesses in the industrial park, and has taken many actions to provide assistance to local municipalities and their residents, including hospitals in the greater Caesarea area.

CDC pillars



During the past two years, in an effort to reduce economic disparities, the CDC distributed protective masks disinfectants, as well as food coupons to hundreds of families and elderly citizens in Jisr-a-Zarqa and Or Akiva. The CDC's security patrols helped to enforce health ministry directives in these towns as well.

Overview

The CDC is comprised of four complementary divisions, which provide a holistic approach to balancing the needs of society, business, and the environment.

The business and industrial park

A leading business and industrial park in Israel, the park was developed as a smart, clean, safe, and well-kept regional business center, which cultivates the quality of life, protects the environment, and provides the highest level of service to its users.

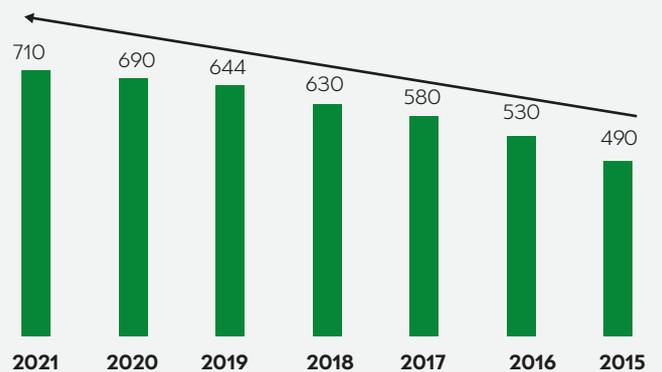
Since the park is located near an environmentally sensitive area (adjacent to a water aquifer - widespread activity of Mekorot Company in the area), the CDC - with environmental protection as one of its pillar principles - takes many semi-regulatory actions in the park, to prevent pollution and damage to nature and the landscape. Therefore, the CDC examines each business entity that seeks to join the park, in order to verify its activity will not lead to pollution or contamination of the natural environment. This examination includes a detailed environmental assessment questionnaire filled out by the entity, and its review and examination by a professional appointed by the CDC for such purpose.

Depending on the results of the examination, the CDC

determines whether or not to approve the applicant's activity in the park. If it approves said activity, the CDC makes sure to include in the specific contractual framework with such entity, a clear undertaking of such entity to abide by and fulfill the specific instructions and guidelines of the professional reviewer, thus ensuring that operations are carried out without damaging the environment. This procedure has enabled, alongside significant natural monuments and water sources, the establishment and operation of a unique and thriving high-tech and industrial park, serving as a source of employment for thousands, all under the meticulous management of the CDC. Preserving and protecting the environment and natural monuments is the core motto of the park.

DEVELOPMENT OF THE BUSINESS PARK

Built-up Areas (in thousands of sqm) in the Caesarea Industrial and Business Park



1993

established

271.6 hectares

developed land

86.5 hectares

land reserves for development

12,000

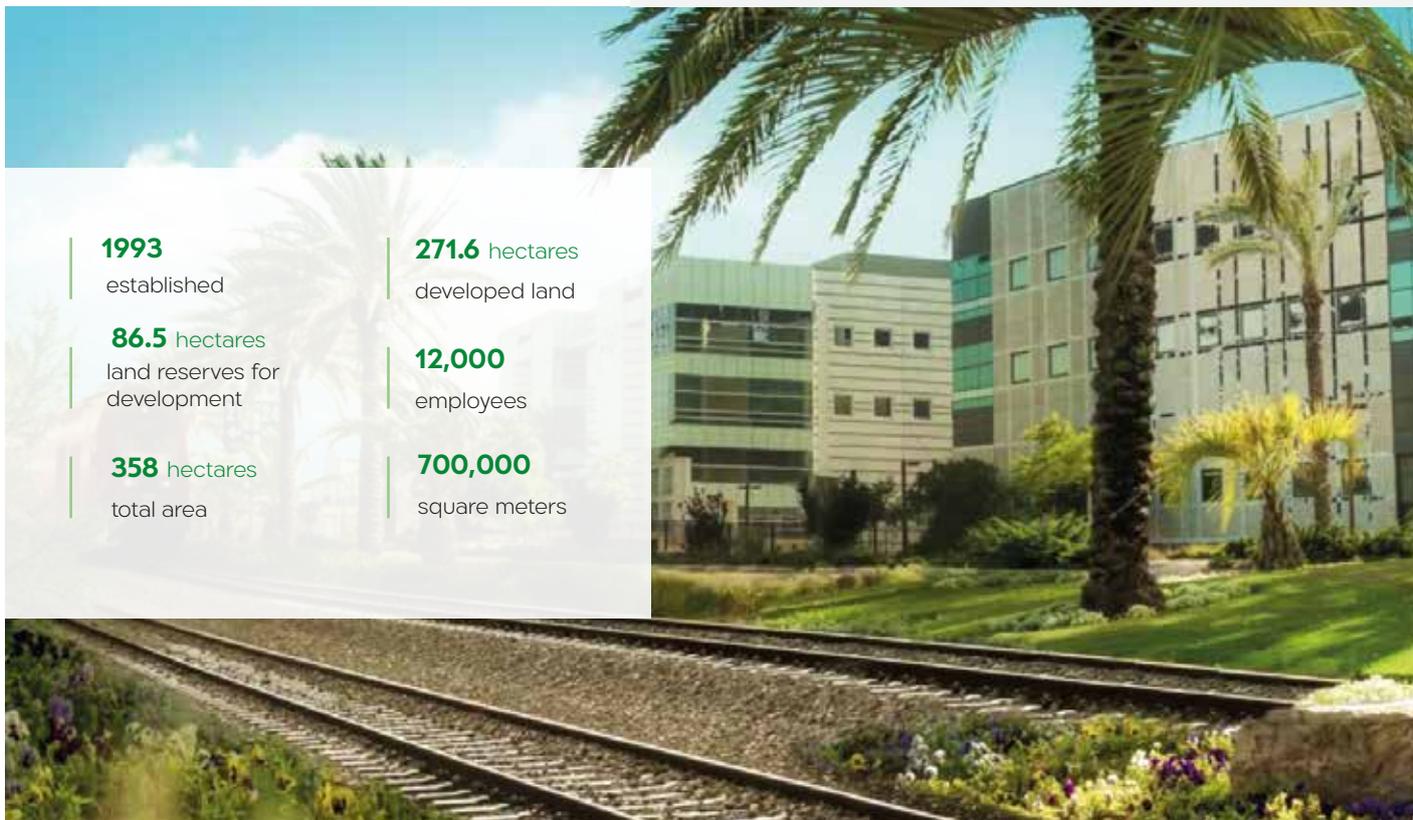
employees

358 hectares

total area

700,000

square meters



Caesarea Harbor

The city and harbor built by Herod are currently preserved as a national park, enabling visitors to explore the site and learn about its history, from ancient Rome through the Crusades in the Byzantine era. Caesarea's sunken harbor is set in the center of the national park. The restoration works, the new buildings, and the development undertaken by the state and the CDC have transformed the ancient harbor into a site that combines culture, recreation, and leisure.

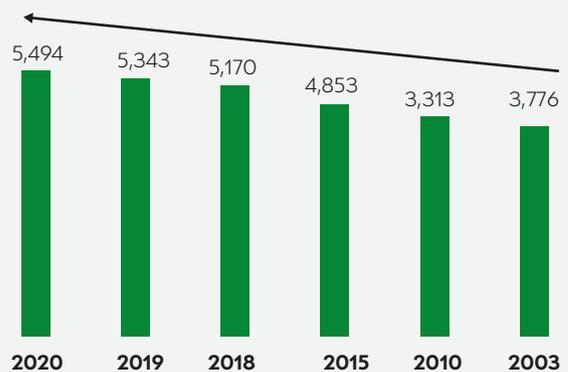
The Caesarea Harbor is one of Israel's first national parks and leading tourist attractions. During recent years, the CDC has taken on key development projects, including harbor restoration, the vault visitor center, the inner pier, reconstruction of the Roman Nymphaeum and the ancient synagogue, inauguration of the crusader wall promenade and protection of the coastal cliff against collapse.

Residential neighborhoods

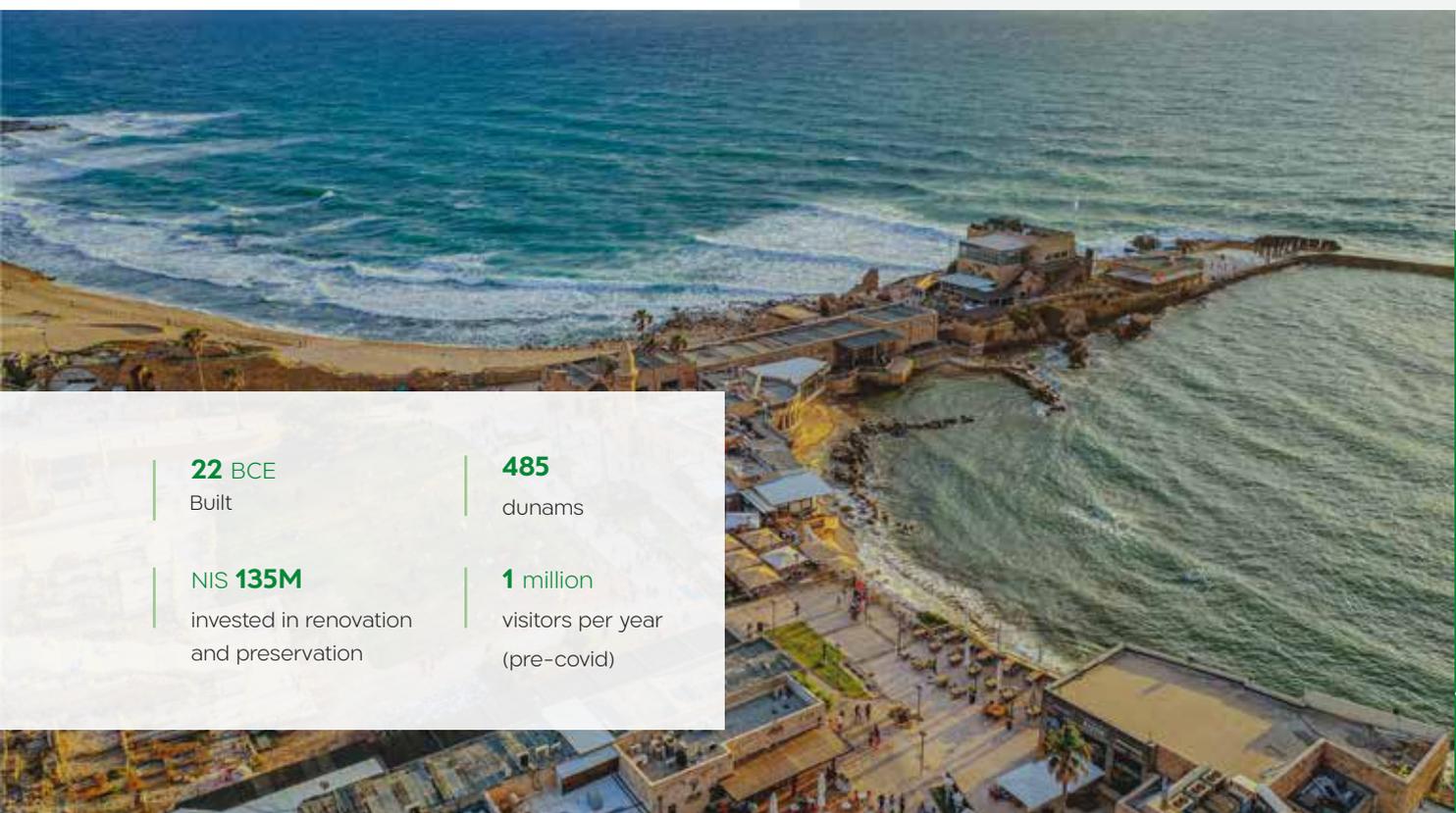
Caesarea is a growing town - sustainable, diverse, and multi-generational. With its community-centric, exclusive and prestigious character, it provides its residents with the highest standard of living and municipal service in Israel.

As part of the mandate granted to the Foundation and CDC for the development of the Caesarea lands, they have pre-determined, specific unique principles for the development of the residential neighborhoods, whilst taking into consideration architectural and landscape preservation aspects as well as environment protection aspects.

DEMOGRAPHIC GROWTH (2003-2020)



Demographic growth in Caesarea's population (according to CBS data)



22 BCE
Built

485
dunams

NIS 135M
invested in renovation
and preservation

1 million
visitors per year
(pre-covid)

All such principles are included in the CDC's contractual frameworks with residential land parcels purchasers.

The CDC not only determined such principles at the outset, but also oversees and ensures, through supervising officials in the company, that the purchasers do indeed act accordance with the aforesaid principles when building their homes. The residential neighborhoods in Caesarea are an exemplary model for meticulous preservation of landscapes and natural monuments alongside the nature in and around them.

12,000 dunams	2 beaches
1,700 households	85% matriculation rate
1500 children	700,000 square meters

Caesarea Assets Corporation

The real estate development branch of EdRF (IL), CAC works to develop and realize the potential in the Foundation's lands and in the Caesarea business park, and to expand its portfolio of income-producing properties. The proceeds earned by CAC are transferred to the Foundation for the purpose of advancing higher education as well as the development of social responsibility.

Objectives

The CDC works to improve Caesarea's lands, while building a model town in Israel, developing an advanced industrial park, and tourism and leisure attractions.

The CDC is the executive arm of the Edmond de Rothschild Foundation, which works to reduce social disparities through higher education and the development of social responsibility.

A

Ongoing improvement of real estate and the creation of the conditions for further moderate, and graded development of the settlement.

B

Quality management of the residential community and achieving high satisfaction rates among residents as a significant sales promoter.

C

Increasing income from renting properties to new tenants and companies and establishing income-producing properties.

D

Management of a smart business park while providing a range of services in the format of one stop shop- for all residents of the park.

E

Strengthen the park's status as a regional employment center, smart and safe, maintained to a high standard, which preserves the quality of life of the tenants and the environment, and works to strengthen the surrounding communities and residents as part of a regional ecosystem while sharing information and mutual fertilization.

F

To lead the day-to-day management of the Caesarea Smart Business Park as a leading and unique park that is an available knowledge center and a role model and example for other industrial areas in Israel.

SPOTLIGHTS

WATER



Ground water monitoring



Brackish water usage



Water loss reduction

LIFE ON LAND



Honeybee-friendly initiative



Tree planting



Sustainable olive oil production



Biological pesticide; barn owls

ENERGY



Renewable energy production



Energy efficiency (30%)

SMART & GREEN TRANSPORTATION



Bicycle & walking trails



Electric vehicles



Free, shared transportation

WATER INITIATIVES

Ground water monitoring:

9.9 million cubic meters

Of drinking water of excellent quality produced

4.6 million cubic meters

Of water have been introduced into the plant each year

29

observation wells in the business park area

The waterworks site of the Menashe streams, used for the collection and infiltration of surface runoff from Menashe mountains flowing during the area in winter, is located west of the Caesarea business park. The Nahalei Menashe plant is operated by Mekorot and collects surface runoff from Menashe Heights catchment area. The water is collected in a sedimentation reservoir, from where it is transferred to percolation fields located west of the park. Groundwater is pumped from the aquifer using a system of extraction drilling. Caesarea Park monitoring is necessary to prevent any contamination of the water sources by the park activity. The aquifer of the The Nahalei Menashe plant is particularly sensitive to pollution because the water is relatively close to the ground, the seepage through the sand layer is fast and the underground flow of water is relatively rapid, especially in the leaning horizon area. These hydrogeological data increase the possibility of rapid passage of pollutants from the surface in the event of contamination, and damage to the entire aquifer.

A comprehensive and reliable monitoring system was established and carried out by an independent scientific-professional body accompanied by a steering committee headed by the Water Authority. The Caesarea Park monitoring system operates within the framework of the tasks dictated by the steering committee, namely, conducting tests in the aquifer and collecting existing data; analysis of the data to identify the types of pollutants and their origin; close monitoring of the various industries established and operated in the industrial area; control and monitoring of surface runoff data and sewage and drainage systems in the Caesarea park

area; establishment of an early detection system, warning reporting and recommendations for cleaning and rehabilitation if necessary. As part of the supervision of the industrial plants, visits are made to the plants and their yards, the raw materials and production processes are examined, as well as changes in the production lines, the effluent lines, also the issue of hazardous waste is carefully examined and new plants requesting to enter the park are thoroughly inspected.

The Caesarea smart business park is one of the leading industrial areas in the country in terms of early planning, reference and conservation of the environment in general, and the quality of regional groundwater in particular, receiving five beauty stars from the Council for a Beautiful Israel every year.



Water loss reduction

Water is the source of all life, the most important liquid in our ecosystem. Israel borders vast desert areas and for years, has suffered from chronic water shortages.

The Caesarea region, particularly the Caesarea business park and its surrounding area, is highly hydrologically sensitive and holds great importance due to the many drinking water production wells located around the entire area.

In 2013, due to old water infrastructures and multiple leakages, the CDC suffered from a substantial water loss of 15.5%. To address this, immediate action was taken and a five-year plan to replace and upgrade old infrastructure was authorized. In subsequent years, the CDC has replaced all water infrastructure in six different clusters within the Caesarea residential area, in addition to replacing all of its mechanical water meters to digital (WiFi) operated ones, which send online notifications regarding suspected leakages or vandalism.

As a consequence of these actions, in the following years, water loss was dramatically reduced, reaching 1.3% by the end of 2020 and an estimated 1.5% by the end of 2021.

Among its diverse activities and operations, the CDC is also a licensed water supplier, approved and monitored by the national Water Authority. As such, the CDC provides water and sewage services to the 250 companies in business park and to the entire residential area of Caesarea

80KM

regularly maintained
sewage pipes

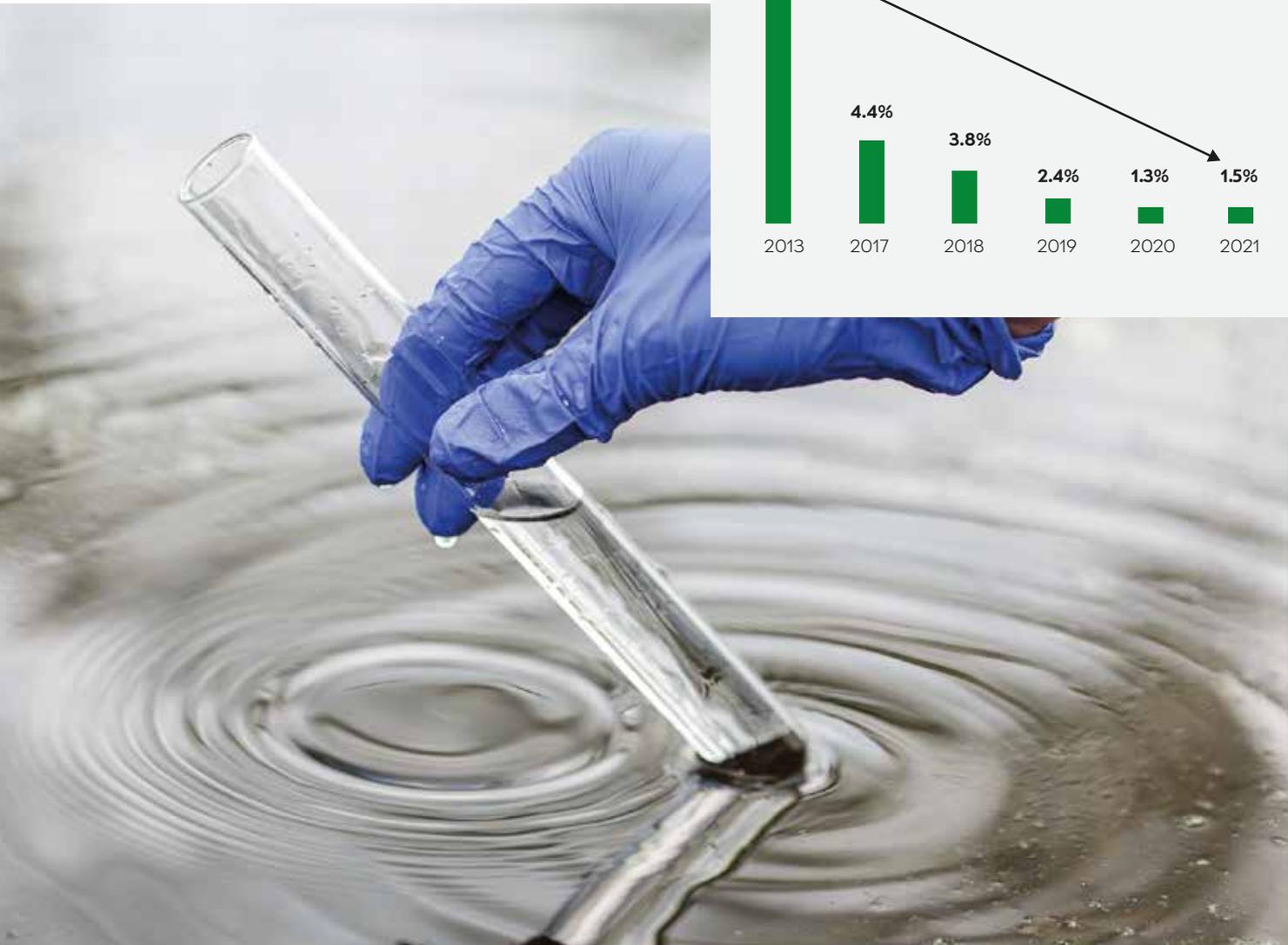
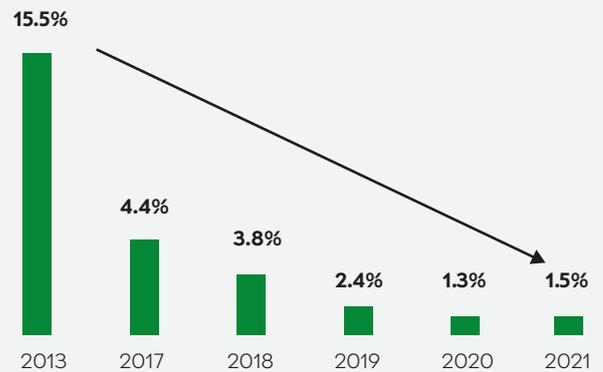
16

pumping stations

5,000

cubic-meters underground
drinking water reservoir

WATER LOSS PERCENTAGE BETWEEN 2013-2021



Brackish water usage

274
Total area acres
(1,000 dunams)

100
acres Lawns with
brackish water ~
(400 dunams)

3.7
acres brackish
water lakes area (15
dunams)

450,000
cubic meters of
brackish water for
irrigation annually

The Caesarea Golf Club is Israel's international golf center. Founded in 1961, the club is Israel's only golf course, with 18 greens designed and built to international standards. In 2009, the course was redesigned and renovated by the renowned golf architect Pete Dye. A passionate supporter of environmentally friendly golf courses, Dye planned the course based on environmental and landscape preservation values.

Adopting Dye's preservation values, the CDC applies methods of natural resource preservation, by using brackish waters for irrigation in the approximately 100 acres of golf lawns. In doing so, the golf club succeeds to reduce fresh water consumption while saving up to 50% on annual irrigation water expenses, as brackish water has a lower tariff. To put numbers into perspective, the average annual amount of water used for irrigation by the golf club is approx. 450,000 cubic meters.

Four unused production wells owned by Mekorot, the national water company, are located near the coast line. In the past, these wells were used for drinking water production, but their use was discontinued due to over-pumping. Since very deep groundwater is saline, over-pumping can cause the saltwater to move inland or upwards, resulting in saltwater intrusion, which can contaminate fresh drinking water. In the case of these four wells, the salinity level of the water exceeded the standards set by the national water authority, effectively



causing it to become brackish water – and therefore unusable.

Although the water in these wells isn't suitable for drinking, it can still be used for extensive irrigation of the Caesarea golf club's vast lawns . Therefore, all the vegetation in the golf club, particularly lawn grass, was carefully selected based on its suitability to brackish water irrigation. Water from the four production wells is pumped towards the golf lawns and into two beautiful lakes, which serve a dual purpose – for landscape and esthetic value, and as irrigation water reservoirs. Through a separate infrastructure, the water is pumped from the lakes and into numerous irrigation points around the golf course. The lakes' total area is 3.7 acres, and when full, they can contain up to 45,000 cubic meters of irrigation water.

Today, the course meets the highest international standards, attracting golfers from around the world.



LIFE ON LAND

Biological pest control – barn owls

A collaboration between the CDC and local kindergartens, in which 11 barn-owl nesting boxes were installed throughout Caesarea's residential area. Because of its vast land-to-resident ratio, natural areas, green lungs, and sand dunes, Caesarea is home to a variety of wildlife, including many rodents, which find the local habitats suitable and convenient.

As natural predators, the barn owls reduce the rodent population in a biological pest control method that replaces chemical pesticides and rodent traps. The local kindergartens accompanied the entire process, from nest installation to periodical checks throughout the year, to see if the individual boxes have been habituated by barn-owls.

Sustainable olive oil production

250

olive trees

500

liters of oil

In line with its "green lung" cultivation ethic, along the years, the CDC has planted olive trees within the Caesarea Business Park area. The trees are monitored, irrigated, and cultivated throughout the year.

After blossoming, in order to promote sustainability and avoid waste, rather than allowing the olives to fall on the ground and nearby roads, they are harvested. The olives then undergo an additional process to produce top-quality olive oil. This oil is then given to the residents of the business park and company employees as a token of appreciation.



Local honeybee-friendly initiative

2 dozen

bee hives in the smart business park area

10

biodynamic bee hives around the residential area

Bees play a vital role in our everyday lives. In fact, one-third of the food we eat depends on honey bees, which pollinate many plants we rely on for sustenance. In recent years, there has been a rapid decline in the honey bee population worldwide, including in Israel.

In line with its "Go Green for a Better World" strategy, the CDC seeks to support the local honey bee population, by incorporating more bee-friendly flowers and herbs in its annual planting program, while also maintaining local beehives in the vicinity of the Caesarea business park and placing biodynamic beehives in the residential area for educational purposes.

Tree planting

The CDC continues to invest significant resources in increasing "green lung" areas throughout Foundation lands, by:

1#

Planting 620 new trees in 2020 (bringing the total of planted trees to 4,000 in the last five years)

2#

Safeguarding and monitoring the health of old trees, among them 30 ancient carob trees, by providing them with medicinal treatment, pruning, and monitoring

3#

Preparing annual planting programs for seasonal and perennial plants throughout the town

4#

Holding annual tree-planting events for company employees on Tu B'Shvat

5#

Working in close cooperation with the Keren Kayemeth LeIsrael and the Israel Nature and Parks Authority on all issues concerning plant life in the Foundation's lands



ENERGY

Renewable Energy Production

The gradual transition to relying solely on renewable energy is becoming a pertinent need. The vast use of fossil fuels in industries, transportation, and electricity production pollutes the soil, the ground-water, and the air, and is responsible for increased carbon dioxide emissions, escalating the global greenhouse effect. We strive to become more energy efficient and meet the goal of exclusively using renewable energy.

Energy efficiency

30%

Savings in municipal lighting

As part of the effort to increase energy efficiency, the lighting system in the town and in the business park was replaced with cost-effective LEDs. This type of lighting has a light intensity control system, facilitating optimal use throughout the changing light conditions along the day through a smart and efficient use of energy.

Replacing all municipal lighting in the town and in the business park achieved a **30% saving in annual electricity consumption for municipal lighting.**

Renewable energy production:

Every new project, whether a logistics center or an office building, is carefully planned in order to optimize roof surface area for the future installation of photovoltaic systems.

Production of approx. 11,241 MW in 2020-2021

A total of 26 PV systems are operative



Actions taken by the CDC to improve energy efficiency:

Replacement of public lighting fixtures with economical LED lighting in the park and town.

Similar replacement of lighting fixtures in the CDC's offices.

Conducting a survey and detailed mapping of the electricity meters in the park and town, as part of which redundant or minimal-consumption electricity meters were eliminated or unified.

Increasing awareness of the "power factor" in any electricity bill before approving it.

Installation and replacement of electromechanical accessories and equipment towards increasing the efficiency of CDC-owned utilities facilities.

SMART, SUSTAINABLE AND GREEN TRANSPORTATION

“Sustainable transportation” serves the needs of individuals, society, and the economy, while protecting the environment and reducing environmental hazards. Its emphasis is on moving people, not cars.

The challenge facing the development of sustainable transportation is how to improve the environment without compromising accessibility and designing the transportation system in space while also incorporating long-term considerations.

Objectives

- 1#**
Reducing the use of air-polluting vehicles in EdRF lands and replacing them with electric vehicles
- 2#**
Encouraging the use of the trains, ride-sharing, and bicycles
- 3#**
Reducing the carbon footprint, and as a result, improving the air quality in our region

Free shuttle services 1#

Operating a free shuttle service for the benefit of all park employees, to/from the northern park train station, on a timetable that matches train schedule and according to employee demand. Currently in implementation stages of a non-polluting electric shuttle, which will be charged at one of the park’s charging stations.

Operating a free shuttle service in Caesarea in the afternoon hours, for the benefit of the children of Caesarea, who go to social activities and classes.

Public transportation to the business park 2#

Increasing the frequency of train stops to about 70 per day.

Installing two smart stations that include interactive information and enable contacting the service center.

Connecting the southern park to public transportation, including bus lines from surrounding towns

Installing 31 new bus stops around the park.

Public transportation to the town

3#

In 2018, **nine** public transportation stations were made accessible to people with disabilities, and **five** new open-sided shelters were installed.

In 2019, **three** new stations were installed, and NextBus smart information posts were added.

Public transportation to the tourism sites

4#

Three stations near the Caesarea Harbor and Caesarea Theater were made accessible, including the installation of open-sided stations.

A route that will connect the train stations to Caesarea's tourist attractions is in preliminary planning, for the benefit of domestic tourists.



Bicycle paths

5#

As of 2020, there are more than 15 km of cycling and running trails in EdRF lands.

By 2022, another 10 km of trails are expected to be paved in EdRF lands (around the park, the town, Or Yam)

By 2025, an additional 12 km of trails are expected to be paved in EdRF lands (connecting to the surrounding towns, the park, and the town).

Bicycle parking stations

Bicycle parking stations have been installed in the Aqueduct Beach, the Pump Track, the Bird Mosaic, C-Center, and all the public parks throughout Caesarea.



6#

Electric vehicle charging stations

Installing electric charging infrastructure throughout EdRF's land, according to a gradual deployment plan, for the "gas stations of the future", in addition to providing a solution for the electric vehicles in the area, especially of park employees.



7#

21 charging stations installed

200 average 'charging events' per month

Preparations are underway for 80 additional stations, with 20 more installed in the next two years

Encouraging ride sharing in the business park – Waze Carpool

Waze Carpool, an innovative project, is a collaboration between the Caesarea smart business park administration and Waze. It will facilitate ride sharing, to simplify the access to the park and improve the well-being of more than 12,000 employees in approximately 250 companies operating in the park.



8#

Ethics and Governance

Our code of ethics is our moral identity card and reflects the core values underlying our vision. The code of ethics guides the conduct of managers and employees in the group, sets the ethical standard we demand of ourselves, and constitutes a tier of our business ethics perception. We continuously strive to translate the values and code of ethics into decisions and actions, at all organizational levels and in all areas of the group's activities.

This year has enhanced our focus on sustainable issues and practices. We have witnessed up close new challenges brought on by the Covid-19 pandemic and the critical need for interventions deepening the trust with our partners, grantees, stakeholders and internal teams.

Governance in a Changing Environment

Over the years, philanthropy's functions and position within the social space have changed substantially. Philanthropic involvement in the public arena has shifted and taken on a more 'hands-on' approach, enabling

players like EdRF (IL) to become influencers involved in the design, negotiation, promotion and delivery of policy and decision making processes, reorganization and accessibility of public services, civic action, community development and infrastructure creation.

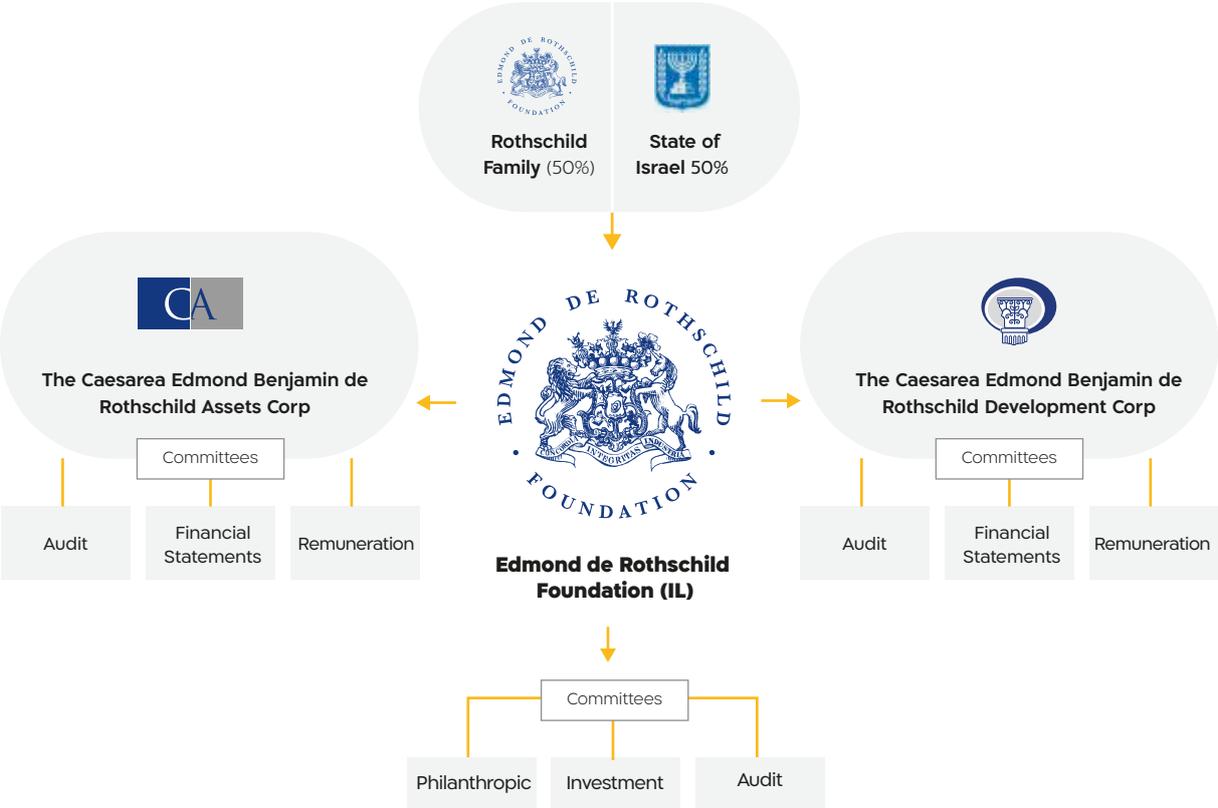
With this shift and philanthropy's new roles in spearheading complex networked partnerships, structures and sustainable financial models, the need to set clear boundaries between public and private, charity and investment, innovation and risk has diminished. However, the need for structures and processes that safeguard principles of transparency, accountability, responsibility and measurement has saliently emerged.

EdRF (IL) with its unique structure holds an unparalleled opportunity to align its philanthropic governance with its corporate governance. By combining the best of both worlds we have been able to implement innovative, cross organization decisions revamping the services, process, collaborations and tools offered by the group as a whole.

We Commit to



CORPORATE GOVERNANCE



Council of Governors

The Foundation’s Council of Governors consists of representatives of the Rothschild family and the State of Israel. They Council dictates the group’s vision, strategy and policy, determines the Foundation’s investment policy and approves all philanthropic projects.

Committees of the Council of Governors

Philanthropic Committee	Audit Committee	Investment Committee
<ul style="list-style-type: none"> Examines the Foundation’s strategy, project feasibility, sustainability, and alignment with the Foundation’s overall vision, strategy, budget and recommends to the Council of Governors which projects to support. 	<ul style="list-style-type: none"> Builds internal audit plans for the Foundation and its subsidiaries and reviews the reports of the subsidiaries’ internal auditors. Is responsible for identifying deficiencies in all aspects of corporate management, including business, operational, risk management, and others, and for examining ways of handling audit report findings. 	<ul style="list-style-type: none"> Reviews the investment activity carried out by the Foundation and its alignment to the decided investment policy. Monitors the investment professional review of the investment portfolio and submits its conclusions to the Council of Governors.

Board of Directors of the subsidiaries

The Board of Directors guides the corporations' policies and supervises their implementation by the CEO. These supervision and control duties require the Board to monitor the activity of the CEO and other members of management on an ongoing basis, to ensure their competence as well as the adequacy of the tools available to them to fulfill their roles. The Board is also required to follow up on the way in which the corporation implements Board decisions, as well as corporate policies, plans, and budgets. The Board's plenum convenes every quarter or in accordance with the company's needs.

Committees of the Board of Directors

<p>Is remuneration Committee</p> <ul style="list-style-type: none"> • Formulates remuneration policy for the organization's management. • Responsible for recommending to the Board of Directors the remuneration policy, for its management for its approval. 	<p>Audit Committee</p> <ul style="list-style-type: none"> • Builds internal audit plans for the subsidiaries and reviews the reports of the subsidiaries' internal auditors. • Responsible for identifying deficiencies in all aspects of corporate management, including business, operational, risk management, and others, and for examining ways of handling audit report findings. 	<p>Investment Committee</p> <ul style="list-style-type: none"> • Examines the financial reports and formulates recommendations to the Board of Directors regarding the Corporation's financial statements.
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Transparency

The CDC acknowledges that transparency is a key factor for the creation of sustainable impact and improvement of its operations alongside its financial bottom line. In order to achieve better decision-making processes, we seek to improve the visibility and transparency of our actions.

As part of our responsibility for the municipal management of the Caesarea residential community, the CDC publishes periodic reports to all residents and business owners in Caesarea, on the day-to-day management, resource allocation, annual and multi-year budget and actions that affect or may affect the lives and well-being of Caesarea residents.

Value through service

The CDC sees great value in maintaining direct contact with customers and ensuring their satisfaction. In this context, the company believes that transparency and openness to constructive criticism are essential for sustainable development as well as reaching its business goals.

In order to enable direct, unmediated contact with customers and residents, the CDC operates a Customer Service Center that is active 24/7 and provides answers to all inquiries -- and drives business outcomes by a stronger commitment to excellent service.

The company sets a strict threshold for rapid response times for any complaint and/or problem.



8 quarterly reports and 2 annual reports published in 2020-2021, on the activity of the town management and the management of the water and sewage utility



14,527 inquiries were received in 2021, by the company's service and sales center



100% of inquiries handled; only 0.1% closed after expected service time.

Responsible Business Practices

Responsible and ethical practices constitute a pillar of our approach to business. While we are committed to sound and profitable business conduct while ensuring diversity, equal opportunity and the integrity of the reputation of our clients, partners and the group as a whole. Our conduct aims to enable suppliers, contractors and service providers of all sizes and types to work with the company for the benefit of the company and their own. In addition, since the company provides municipal services, which have semi-public characteristics, it considers its conduct as a preserver of "public funds" to be of paramount value.

Strict third - party contracting procedures:
 Any contract exceeding an annual amount of NIS 300,000, will be made by way of a Request for Proposals (RFP).

Human capital

The company defines the development of human capital in the company as one of its Core objectives. In this context, the company strives to empower and enable its employees to develop and realize their personal and professional potential.

 During 2020-2021, the company conducted 126 RFPs proceedings with an estimated financial volume of approximately NIS 400 million.

Data protection

In the last five years, the CDC has invested significantly in order to protect the Computer & Information Systems against external cyber-attacks. In this context, the CDC is equipped with advanced protection systems along with periodic training for all employees in order to reduce the "human factor" in cyber incidents.

 20 data protection tutorials - an investment of NIS 2.75 million

The company conducts the RFPs in an equal manner and allows a third party participating in the procedure to submit its proposals according to pre-determined terms and conditions.

The procedure is managed by the director of the relevant profit center and supervised by the company's legal counsel and internal auditor.

The company invests significant resources in cyber protection, according to an annual work plan

The investment is reflected in technological tools and awareness training for employees

The company is assisted and consults with a wide range of external cyber experts in the various fields

The company has a certified Chief Information Security Officer (CISO) at all times

The company conducts surveys and tests its cyber resistance year on year

The company holds insurance against cyber risks

The company dedicates significant resources to protect information through robust backups and disaster recovery capabilities

The company invests significant resources in the implementation of the Privacy Protection Regulation

Our commitment to company employees

The company's management, at all levels, works to foster employees' identification with and commitment to the organization's vision, purpose, core values and organizational spirit. The company's management provides its employees with:

1# Clear definitions of roles and management of expectations	2# Responsibility, authority and recognition	3# Tools for personal development to successfully achieve work targets
1# A pleasant, synergetic, efficient, focused and goal-oriented work environment	2# Positive periodic feedback on meeting objectives, as well as constructive criticism and opportunities to improve in the case of failure (which is not the result of negligence)	3# Fairness, reciprocity, and down-to-earth management

RESPONSIBLE INVESTMENTS

EdRF (IL) is committed to socially and environmentally responsible conduct. This is manifested not only in the philanthropic work of the Foundation and its subsidiary companies in Caesarea, but also through the investment strategies adopted and implemented by the Foundation.

In December 2016, the Foundation's Council of Governors approved that up to 3-5% of the Foundations' endowment will be dedicated to social investments. In July 2021, it was decided to align the portfolio of the Foundation with ESG investment strategies.

In December 2021 the Foundation's Council of Governors approved that at least 75% of the portfolio will be invested in securities with high ESG ratings – A and above on the MSCI ESG rating for investments outside of Israel, or companies included in TA-Maala index inside Israel. The rest of the portfolio (up to 25%) will be invested in non-ESG rated securities that follow the definition of "do no harm".

The EdRF's investment portfolio is dedicated to creating optimal financial returns; therefore, the decision to adopt the said mission is not only a moral statement, but also a strategy to mitigate risks stemming from environmental, social, and governance (ESG) challenges that organizations, foundations, and companies may face. This aligns with agenda of the Edmond de Rothschild Group worldwide, which for years has worked to invest in ESG and SDG innovation while providing stakeholders with optimal returns.

Notably, EdRF (IL) is a pioneer in the field of social innovation in Israel – funding Israel's first social impact bond and creating the only impact department within a philanthropic foundation in Israel, focusing on building the infrastructure needed for the local ecosystem.

Principles

1#

Do no harm:

EdRF (IL) will divest from harmful investments in fossil fuels, gambling, pornography, tobacco, and weapons.

2#

High ESG rating:

EdRF (IL) will invest in opportunities (funds and company stock) that are characterized by high ESG ratings (A+ on the MSCI rating for Investments outside of Israel or part of the Maala stock in Israel).

3#

Financial returns:

EdRF (IL) will aim for market rate returns in ESG and SDG investments.

Products and assets

There are different products available in the market, in several asset classes. Most relevant to the Foundation are: Each investment has a different potential for risk, minimum (and at times maximum) investment amount, and varied time horizons with a large range of financial and social returns on investment.

ESG investments in indexes and ETFs

ESG investments in specific companies traded stock

New asset classes, such as Social Impact Bonds

Equity via SDG-related venture capital (mainly in technological funds)

Example: Reducing dropout rates in higher education

Social impact bond model

Israel, the "start-up nation", faces a shortage of engineers and programmers who will be able to lead the next generation of technological innovation. However, those who seek to pursue academic studies in these fields face many obstacles, as they are required to first meet competitive admissions criteria and are then faced with rigorous and demanding curricula, leading to high dropout rates. Notably, 85% of the students who drop out of computer science studies do so in their first year, and are likely to come from disadvantaged populations.

To solve this challenge, the first Social Impact Bond to reduce dropout rates was created. This is the first SIB launched in Israel, as well as the first in the world in higher education.

The intervention program is led by the Social Finance Israel and Aluma.

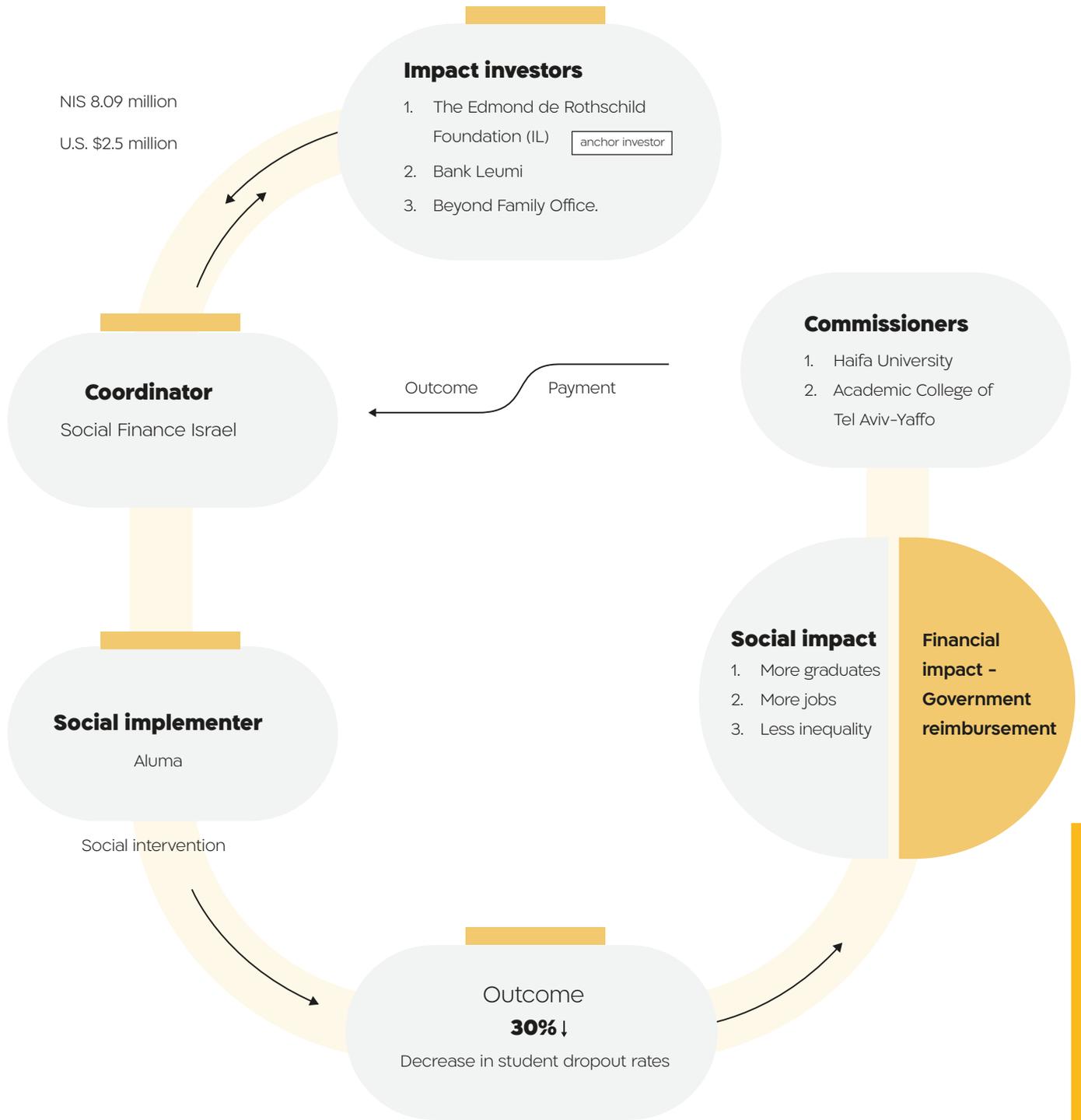
High dropout rates result in detrimental economic losses, to the student, the institution, and the national economy:

The students sustain a loss of time, effort, tuition fees, and a high-paying income in their future career.

The academic institutions sustain a loss in future tuition revenue and income from the Council for Higher Education for successful graduation of students.

The economy suffers from stagnant levels of much needed engineers and developers, and the loss of contribution to GDP.

THE MODEL



Research & Academic Excellence



Access to and Success in Higher Education



Joint Society



Improving livelihoods



SDG Innovation



Environmental Strategy



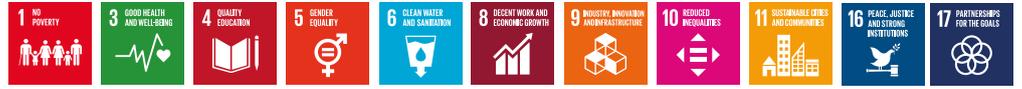
Art & Heritage



Covid-19



Expertise in Philanthropy



Rothschild Partnerships



Retail and Tourism Development



Municipal Services



Industrial Development



Ethics and Governance

