



Sustainability Report 2021



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Message from TASE Chairman and CEO

The field of Environmental, Social and Governance (ESG) has taken center stage in Israel and globally in recent years, both among the public companies and among investors, who make sure to take these important aspects of business into account in their investments.

TASE, as home of the Israeli economy, prioritizes ESG activities in Israel, both among the TASE-listed companies and as a public company itself.

The business sector has often been the pioneer in setting corporate values. This is also true in ESG – where the values are also accompanied by significant economic value. Many studies point to the benefits enjoyed by companies from the adoption of ESG standards, which also contributes to sustainable growth and helps protect the environment.

The importance of ESG is also growing among investors, institutional and retail, who are looking for solutions that effectively promote ESG aspects. We see it in the growing interest of foreign investors in the Israeli stock market. This is reflected in the investment choices of the growing number of foreign investors that are attracted to the Israeli equity market, thanks to TASE's efforts to provide global exposure to the local capital market. Also, due to TASE strengths and Israeli economy, which prioritize high ESG standards. Israeli innovation stands out in the world, especially in the new fields of Foodtech, Cleantech, Agritech, smart cities, and more.

As part of our activities for the development of the local capital market, we constantly expand the variety and availability of information channels to the public and, among others, work to remove trading barriers, placing an emphasis on financial education and improving the public's knowledge, which are crucial for making educated financial decisions, especially regarding long-term savings.

In the report, which summarizes TASE's ESG activity in 2021, we focus on our goals and commitment to various ESG aspects. We are especially proud that close to half of TASE's employees are women, including half of TASE's management and close to one third of the Board of Directors.

This report is an important milestone in sharing TASE's work as a significant member of the Israeli economy and its contribution to the economic, social and environmental future of Israel.

Sincerely yours,



Arik Steinberg
Chairman



Ittai Ben Zeev
CEO

Securities trading in Israel began in the 1930s, following the immigration to Israel of Jewish bankers who fled Nazi Germany. Until the establishment of the Stock Exchange, trading was carried out at the bank, according to the rules that were customary on European stock exchanges. The Tel-Aviv Stock Exchange Ltd. was founded in 1953 as a non-profit organization.

In 2017, a significant milestone in the life of the Group took place, with the approval of the ownership restructuring, as part of which TASE became a for-profit company, with a distinction between ownership and control of the Company and membership in TASE. In 2019, following the restructuring, TASE became a public company, who is listed in the Tel Aviv Stock Exchange. Today, The Tel-Aviv Stock Exchange is the only stock exchange operating in Israel and serves as a venue for trading of securities and for equity and debt raising by companies and by the government on the Israeli capital market.

TASE operates through subsidiaries, such as the **TASE Clearing House** – which acts, inter alia, as a CCP for transactions in securities and provides custodial services for securities of the TASE-listed companies; **MAOF Clearing House** – which focuses on the issue of exchange-traded derivatives and serves as a CCP for the clearing of derivatives; and the **Nominee Company** – which engages in the holding of securities and the provision of services to the issuing companies on TASE and to companies that wish to register at the Clearing House, this via a digital registration service.

Transactions in securities that are listed on TASE are carried out exclusively through the TASE members, whether on their own account (nostro) or for others, and are cleared through the TASE Clearing House, a wholly owned subsidiary of the Company. In addition, the TASE Clearing House provides payment settlement services to issuing companies, such as interest and dividend to those who hold the securities through the TASE members.

The Tel-Aviv Stock Exchange Ltd. is the infrastructure for debt raising and trading in securities from both an operational and a regulatory perspective. It also serves as the sole meeting point for the purchase and sale of securities in Israel. Among the services offered by TASE are services of data distribution from TASE to the public and the TASE-listed companies, connectivity services and listing services.

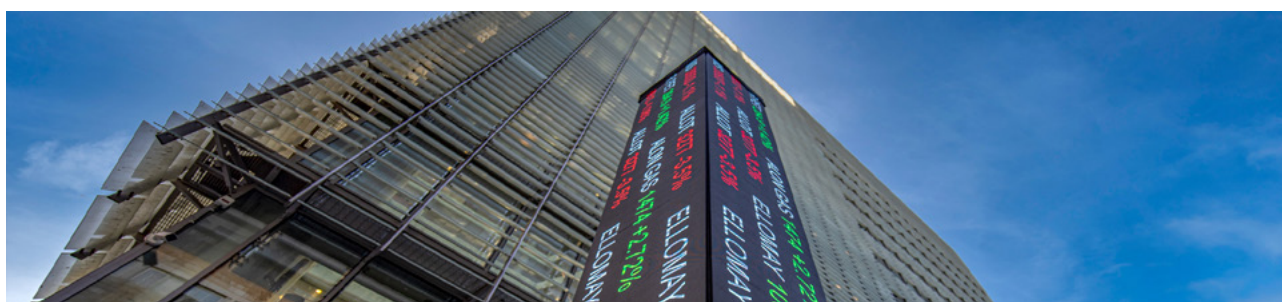
The foundation for the Israeli exchange is the Securities Law enacted in 1968, which delineates the official role of the Israel Securities Authority as protector of the interests of the investors. The Law also provides for the regulation with the Israel Securities Authority and defines proper trading.

At TASE, various securities are traded under one roof, allowing the public to choose the characteristics and risk level of their investments, to suit their specific circumstances. The range of products traded on TASE comprises, inter alia, shares, corporate bonds, government bonds, ETFs and foreign ETFs.

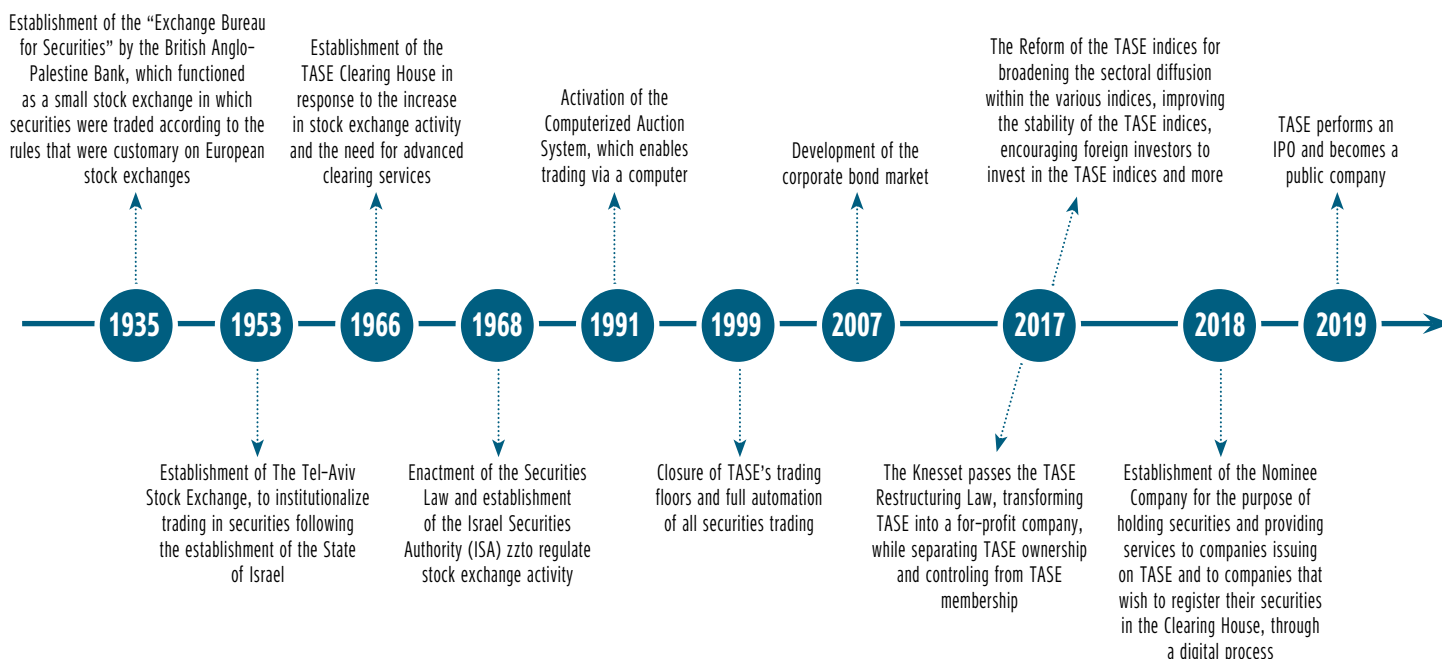
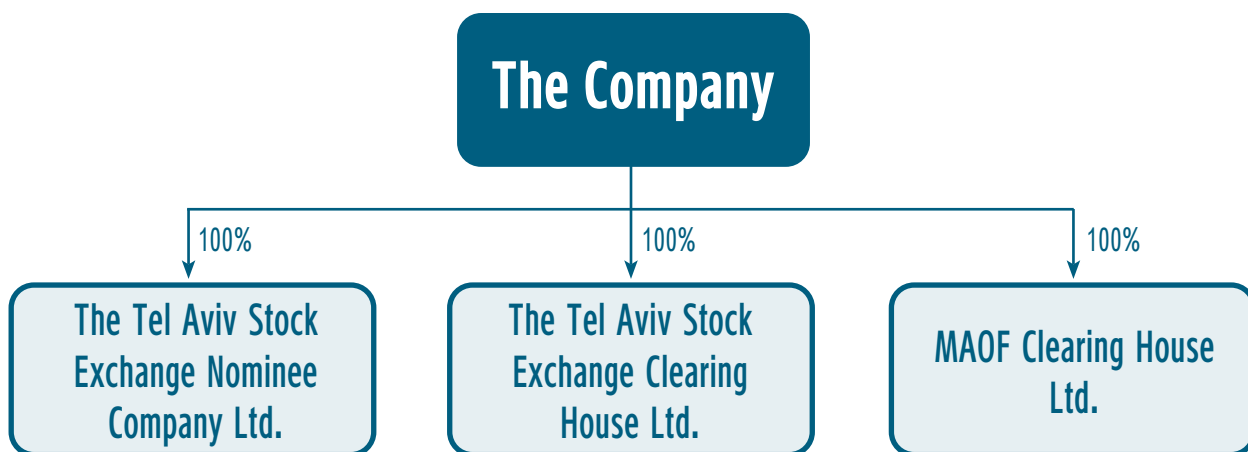
As part of TASE's efforts to expand the variety of investment channels, increase the number of its members, and to improve competitiveness, TASE has welcomed Euroclear Bank as a custodial member. Joining TASE allows Euroclear to open an account at the TASE Clearing House, through which it can directly manage and provide custodianship services for Israeli securities on behalf of its clients in Europe and worldwide.

In addition, TASE Clearing House manages an account with DTC in the United States, the largest clearing house in the world. Transfer of securities from Israel to the United States, and vice versa, through the DTC account is automated, allowing for a swift, cost-effective and efficient process. Prior to that, the process would have involved the transfer of “hardcopies” of stock certificates, taking upwards of three weeks. This service reduces the Clearing House's risk and improves its international rating.

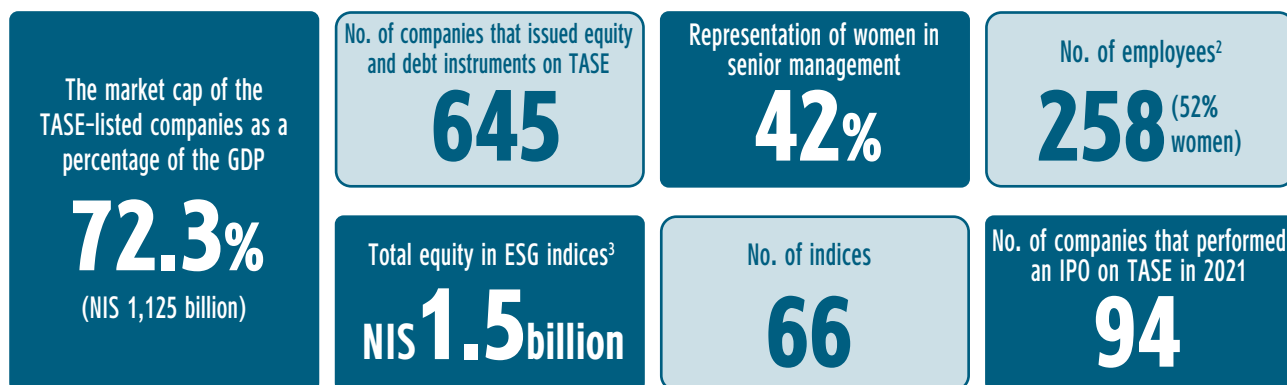
TASE is relevant for all Israeli citizens and aims to serve as a hub for the public to partake in the success of the Israeli economy. Firstly, TASE serves as means of financing for expansion and funding companies' operations through the offering of shares and bonds. Secondly, TASE's advanced IT systems make it possible for any individual to easily and conveniently buy or sell securities in real time, in a manner that suits their specific circumstances, thereby effectively positioning TASE as an infrastructure for retail investments.



Presented below is the holding structure as of 2021:



2021 in numbers¹



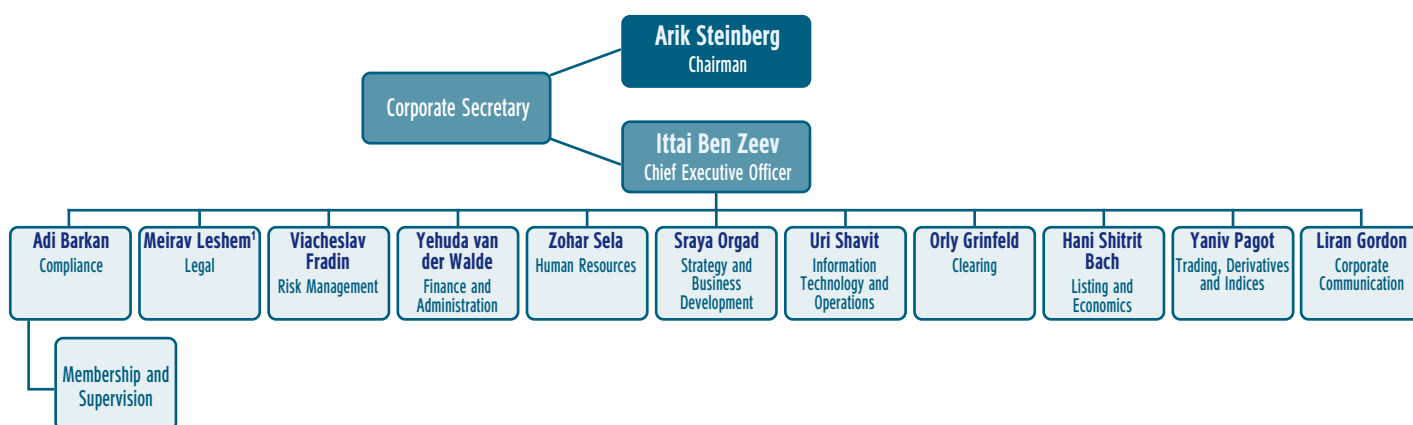
¹ The data is presented as of December 31, 2021, unless stated otherwise

² The presented workforce includes salaried employees, employees in a trial period and contract workers

³ Includes the following indices: TA-Cleantech, TA-125 Fossil Free, TA Maala and international indices. Current data for February 2022

Organizational Structure and Company Management

The chart below presents the organizational structure of TASE shortly before the publication date of the report:



Products and services

- **Execution and clearing of transactions in securities**, shares, government and corporate bonds, ETFs, derivatives and other financial instruments.
- **Calculation of securities indices** and updating of indices.
- **Supplementary Clearing House services**, such as clearing services for off-exchange securities.
- **Distribution of trading data and information and connectivity services** that make real-time information and data analysis available to the public.
- **The Nominee Company** comprises a wide range of services to companies looking to offer their securities on TASE. The company provides assistance with the listing of the securities and their depositing at the Clearing House, current handling of the rights attaching to securities and the handling of convertible securities.

TASE dedicates significant efforts to generating new products and developing new tools in order to improve the efficiency of its services and make trading on the capital market accessible to the public.

¹ Meirav Leshem ended her office in TASE's management in early 2022.

TASE UP

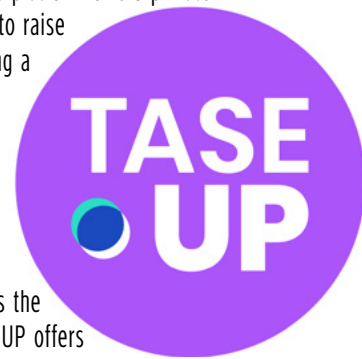


In 2020, TASE expanded TASE UP, an innovative trading platform that enables technology companies and REITs to be traded on TASE and remain private. The platform offers private companies engines for growth and advancement, by allowing them to raise funds from institutional and accredited investors – without publishing a prospectus and without being subject to the reporting requirements that apply to public companies.

The TASE UP platform is designed to replicate the infrastructure of TASE's trading and clearing systems and is therefore familiar and readily accessible to the institutional investors.

TASE UP offers a simple, easy and innovative solution that supports the advancement and success of Israeli high-tech. The listing on TASE UP offers many benefits, both to the companies and to the investors.

For additional information on this innovative platform, visit [TASE UP](https://www.taseup.com).



TASE Data Hub

This system provides easy and flexible access to TASE databases through an Application Programming Interface (API). It enables to retrieve information on an ongoing basis.

Clients can use the information that is provided by the system, among others, to create trading strategies and sophisticated models, manage investment products more efficiently and more.

Providing easy access to diverse sets of data is one of TASE's strategic goals, which it considers a necessary step for advancing and improving the capital market. Making the relevant information easily and readily available enables investors to make more educated investment decisions.



Collaborations and external initiatives



The Israeli Association of Publicly Traded Companies – acts as the representative organization of all public companies in Israel. In cooperation with the Association, TASE promotes initiatives and mechanisms that benefit all companies in the economy. This cooperation yielded various successes, including the establishment of the Nominee Company by TASE (with the Association's encouragement), the achievement of regulatory easements for issuing companies and the ongoing advancement of the interests of public companies.



The Israel Investor Relations Forum (IIRF) – established by the Israeli Association of Publicly Traded Companies in cooperation with TASE. The Forum advances investor relations in Israel, for the purpose of enhancing the transparency and reliability of the companies in their dealings with their stakeholders. For several years now the Forum has been holding joint investor relations seminars with TASE for the public companies as well as related webinars and conferences. In 2022, a first ESG seminar for public companies will be held within this framework.



CFO Forum – the Forum brings together the CFOs of leading Israeli companies. It serves as a hub for learning, sharing of knowledge and consulting on the core activities and issues pertaining to the role of the CEO in today's business world. TASE carries out collaborations with the Forum, such as conferences and lectures on various topics.



The Israel Directors' Union (IDU) – is the professional institution for supporting directors in Israel, including by providing guidance, training, consulting and representation of the directors in dealings with various authorities. Together with the IDU, TASE hosts events and activities of IDU in its Conference Center, cost free, as part of its dedication to the advancement of directors' knowledge in relevant areas, including the promotion of ESG goals.



Association of National Numbering Agencies (ANNA) – an organization represented in every country that allots international identification numbers (ISIN) to securities based on generally accepted principles. In Israel, the role has been assigned to The Tel Aviv Stock Exchange.



World Federation of Exchanges (WFE) – a representative of TASE participates in the WFE's Sustainability Committee and Economists Committee.



Federation of European Securities Exchanges (FESE) – Israel became an affiliate member of the Federation in 2014.



Sustainable Stock Exchanges (SSE) Initiative – in 2021, TASE joined the Sustainable Stock Exchange Initiative. The purpose of the Initiative is creating a global platform that will enable exchanges, investors, companies, regulators and others to consider the assimilation of ESG aspects into the operations of exchanges worldwide.

Materiality analysis is a core process in the assimilation of ESG (Environmental, Social, Governance) processes in companies. This process is designed to identify those ESG topics that have the most significance to the organization, to enable the formulation of a strategic basis for the company's ESG activities.

As part of the publication of the report and pursuant to the guidelines of the GRI, TASE has conducted a first materiality analysis in 2021, which consisted of the following stages:

1. Identification of potentially material topics

In the first stage, an extensive review was conducted among circles of influence that are related to the activity of the Company. The preliminary assessment consisted of an examination of the following sources: peer review, review of the Company's documents of relevant policies and procedures, interviews with management of the Company, media review, review of initiatives and standards related to ESG reporting (e.g., GRI, SASB, SDGs), examination of ESG topics addressed by sectorial organizations, such as the World Federation of Exchanges (WFE), the Sustainable Stock Exchanges (SSE) Initiative, and more.

This process resulted in a long list of topics that are potentially material from an ESG perspective, which was presented to management of the Company for review and discussion.

2. Prioritizing and ranking of material topics

The purpose of the second stage was to identify those topics that are most material to TASE and its stakeholders. This stage consisted of the prioritizing and ranking, by management of the Company, of the list of potentially material topics defined in the first stage. This process was based on customary risk management methodologies as well as qualitative and quantitative ranking criteria.

In ranking the topics, financial, operational and reputational considerations were taken into account. An additional consideration was the potential effect of the topics on stakeholders of TASE.

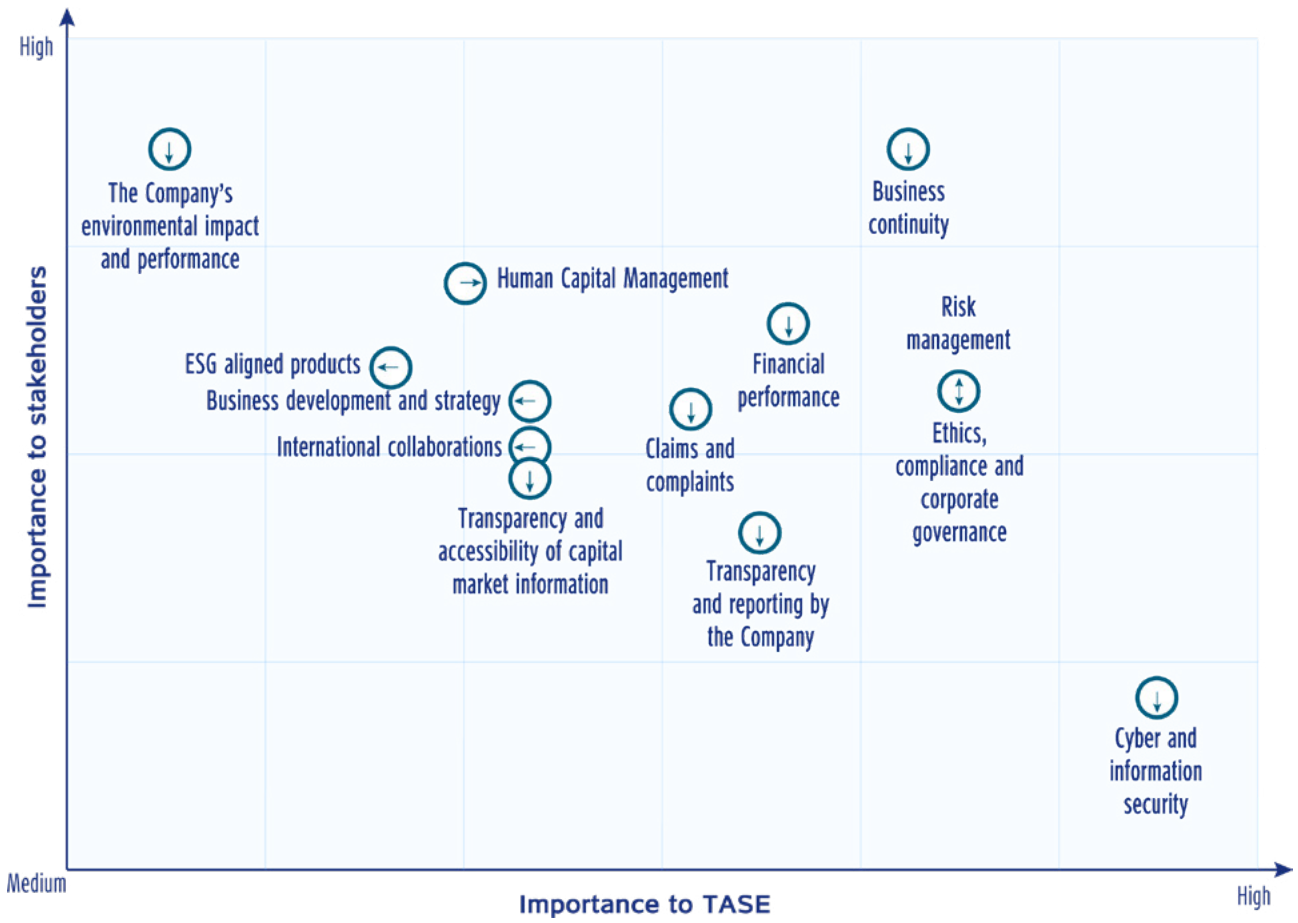
3. Validation of material topics

The final stage of the process was examination and verification of the material topics that were selected in the second stage by management of the Company. This stage consisted of the analysis and processing of the Company's rankings, in order to identify exceptions, and a thorough discussion regarding the selected material topics with management of the Company. The objective of this stage was the validation of the topics and their ratification as a basis for the reporting of the Company.

The results of the materiality analysis process are TASE's 13 material topics, as presented in the table and in the materiality matrix below, which serve as the basis for this report and for our activities in this field.

#	Material topic	Reporting boundaries	Page in report
1	Business continuity	Within and outside the organization	19
2	Risk management	Within the organization	19
3	Ethics, compliance and corporate governance	Within the organization	16
4	Financial performance	Within the organization	20
5	Cyber and information security	Within and outside the organization	20
6	Claims and complaints	Within and outside the organization	18
7	Human Capital Management	Within the organization	26
8	Transparency and reporting by the Company	Within and outside the organization	Throughout the report
9	Business development and strategy	Within and outside the organization	21
10	ESG aligned products	Within and outside the organization	31
11	International collaborations	Within and outside the organization	8, 21
12	Transparency and accessibility of capital market information	Within and outside the organization	Throughout the report
13	The Company's environmental impact and performance	Within and outside the organization	33

TASE's Materiality Matrix



The United Nation's Sustainable Development Goals - SDGs

The UN's Sustainable Development Goals (SDGs) are 17 global goals for sustainable development. The global goals were adopted by global leaders in 2015 as an urgent call to action by the countries, to be met by the end of 2030. The goals reflect the most significant global challenges identified by the national community, which urges governments, corporations and non-profit organizations to cooperate to resolve them. The topics addressed by the goals are varied and include, among others, gender equality, encouragement of responsible consumption and production, ending poverty and acting on climate change.



TASE, as an organization with a broad social-economic impact on the local economy, recognizes the importance of linking its activity to the relevant SDGs and is a proponent of the adoption and advancement of the goals in the Israeli economy.



Following a specification process, TASE defined the SDGs that are most applicable to its activity:

Goal	Company's contribution to the Goal
<p>5 Gender equality</p> 	<p>TASE recognizes the importance of equality in the work environment, both within TASE and among the TASE-listed companies. For this purpose, TASE works in cooperation with Supersonas to encourage women's participation in finance and entrepreneurship, by holding periodic meetings with local female executives and entrepreneurs, and the holding of the "Market Chic" events with IBI Investment House. Each such event focuses on a different aspect and hosts a female guest speaker who is an expert in the field. The events are open to all women.</p> <p>Additionally, every year on International Women's Day, TASE invites female CEOs of Israeli companies to the Opening Bell Ceremony.</p>
<p>8 Fair employment and economic growth</p> 	<p>TASE plays a key role in the Israeli economy and serves as a market infrastructure for growth. TASE is the "home court" of both issuers and investors in Israel. Most Israeli households are exposed to activity on TASE's markets through investment management entities, primarily pension funds, insurance companies, provident funds, advanced study funds and more. In addition, TASE values the advancement and reflection of the local economy. To this end, it works to increase the representation on TASE of companies from all sectors of Israeli economy.</p>
<p>9 Industry, innovation and infrastructure</p> 	<p>TASE believes in providing solutions to facilitate the development of the Israeli economy through capital raising and the exposure of companies to local and international investors. In recent years, TASE has dedicated significant resources to digitalization and automation, allowing numerous companies, including high-tech and technology companies, to perform an IPO more easily and efficiently. In addition, a new service offered through the Nominee Company, "Options at a Click", makes the exercise of options by employees and companies easier and quicker.</p> <p>In addition, TASE operates, in cooperation with Taglit-Birthright Israel, a non-profit organization that works to strengthen the ties with Jews around the world, an innovation and entrepreneurship center that presents the initiatives and achievements of Israel in a wide range of fields, such as agriculture, medicine, defense, cyber, and more.</p>
<p>10 Reducing inequality</p> 	<p>TASE works on multiple levels to promote financial education among the public, by operating an extensive knowledge center on the Company's website that contains specific areas for the novice investor and information on financial products, such as indices, derivatives and securities, makes tools and services available to investors and answers frequently asked questions.</p> <p>Within this framework, in 2021 TASE launched two campaigns for improving the public's financial knowhow: the "Worth to Compare" campaign encourages the public to compare commissions and the "Financial Coaching" campaign educates the public on the products offered by TASE.</p>
<p>12 Responsible consumption and production</p> 	<p>To promote social and environmental aspects, TASE has launched indices that focus on companies that excel in those areas and/or that work to reduce the negative impact and increase the positive impact of their activities on the environment. TASE dedicates significant efforts to the assimilation of ESG aspects in the TASE-listed companies and has recently published a call for public input on the following topics: raising the percentage of women in boards of directors to at least 35% and the disclosure of information regarding ESG activities in companies, whether in the form of a report or by filling out a dedicated questionnaire.</p>

TASE highly values dialog and transparency of information with regard to those topics that interest and concern our stakeholders. Our stakeholder groups include, among others, the TASE employees, the investors, local regulators, the members of TASE and the members of the Clearing Houses, TASE-listed companies, the media and external organizations. The existence of dialog ensures the availability of open lines of communication between TASE and its stakeholders, which allow us to be receptive to the various needs arising from the field and directly address them.

TASE publishes periodic reports, immediate reports, financial statements and more on the systems of TASE (“MAYA”) and of the Israel Securities Authority (“MAGNA”). In addition, current updates and news on the various activities of the Company are published on the TASE website.

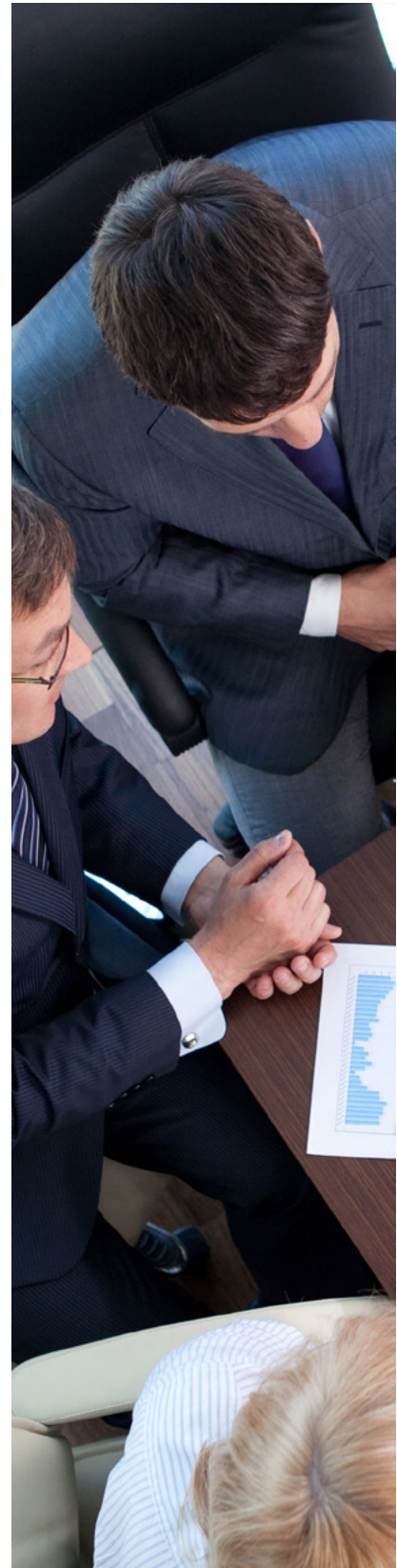
MAYA, a web-based system operated by TASE in Hebrew and English, is used for the presentation of all notifications published by the companies whose securities are traded on TASE, the mutual funds and the ETFs, as well as notices and resolutions of TASE. The system serves as a primary work tool for investors, listed companies and the capital market community. The immediate reports presented in the system include, among others, notifications concerning transactions and events in companies, financial statements, capital raising information, changes in the board of directors and management, interested parties, splits and mergers and more.

In addition to the publication of immediate reports by the TASE-listed companies, the MAYA system offers comprehensive information on the listed companies and on the securities that are traded on TASE, on the “Company Information” page. This page contains extensive information, such as details of the company (address and contact), details of the securities (listed and non-listed), interested parties, management and officers and principal financial statement data. It also offers data, such as: schedule of open and upcoming offerings (including a link to immediate purchase in the public offering stage), schedule of upcoming schedules and actions, including meetings, anticipated publication dates of financial statements, dividend distributions, payments of principal and interest etc. The system serves as a large-scale and central channel of communication between TASE and the public. Accordingly, substantial resources are invested in its operation, upgrading and accessibility.

The TASE website (operating in Hebrew and English) is another main channel for communication with the various stakeholders. The website contains extensive information on the activities of TASE, including: information on TASE and the nature of its operations, trading data (including elaborate reference to the various channels of investment), trends and statistical data, frequent reviews and articles on topics pertaining to the activities of TASE and its listed companies, a Knowledge Center that provides elaborate and comprehensive explanations on the world of investments, the various investment instruments, offerings and TASE’s trading system. In addition, TASE publishes monthly and annual reports on the TASE data; the TASE blog presents professional capital market publications; dedicated landing pages on the TASE website with information on the indices, information for the novice investor, comparison of commissions, and more. Due to all of the above and more, the TASE website is a material tool in the relationship with the stakeholders and serves as a source of reliable, trustworthy and readily available information on market data.

To maintain the close relationship with the various stakeholders, TASE regularly holds physical and virtual conferences on varying topics. TASE makes its Conference Center available to the TASE-listed companies for conferences, investor events, including Opening Bell Ceremonies to celebrate material milestones of the companies, such as IPOs, joining of indices, and more.

The TASE websites and MAYA are updated continuously, for the benefit of the general public. TASE is also active on social media and maintains accounts in several mediums to ensure optimal reach to the public. TASE has a dedicated app (Tel Aviv Stock Exchange – TASE) that gives access to all the information that is posted on the TASE website and MAYA, including market trends, information on securities, reports, etc.



Center for Israeli Innovation in Cooperation with Taglit

The Center of Israeli Innovation is the fruit of a cooperation between TASE and Taglit, which provides a glance into the world of Israeli innovation and presents Israel's leading technology companies and most promising inventions.

The Center was set up in a dedicated area within the TASE building, which is used for the project free of charge.

More than 100,000 visitors enjoyed a rare view into the future, in an interactive exhibition that lays out Israel's entrepreneurship, innovation and technology in the fields of agriculture, medicine, defense, science, transportation and space.

The Center attracts a wide range of audiences, including students, tourists, businesspeople and government officials, as well as volunteers from all parts of Israeli high-tech who come in to share their personal story with the visitors.

In 2022, the Center will be transformed and expanded to facilitate the presentation of Israeli high-tech initiatives in the fields of sustainability, ESG and social-environmental impact.





CORPORATE GOVERNANCE

Ethics, Compliance and Corporate Governance

The activity of TASE is founded on a relationship of trust and fidelity and therefore requires adequate adherence to high morals and values, humanitarianism, professionalism and integrity, tolerance, acceptance and mutual respect. TASE's Code of Ethics, most recently updated in 2018, contains norms and rules of conduct that are derived from those values.

The high ethical standards represented in the Code of Ethics reflect TASE's aspiration to set an example for excellence of service and to establish and maintain a strong relationship with its stakeholders.

Any new employee joining TASE is required to read and sign the Code of Ethics. In addition, once a year, the Code of Ethics is distributed to all employees and managers of the Company for refreshing. The employees are instructed to report violations of the Code of Ethics and any conduct that is contrary to TASE's rules of ethics, in accordance with the Employee Complaints Procedure. The Procedure specifies the process for submitting a complaint, the handling function and an explanation on how complaints are handled. In 2021, there were no violations of the rules of ethics and no complaints were received on the violation of TASE's Code of Ethics.

The Code of Ethics is based on the five core values that characterize the employees of TASE and that serve as an organizational moral compass that directs the activity of TASE:



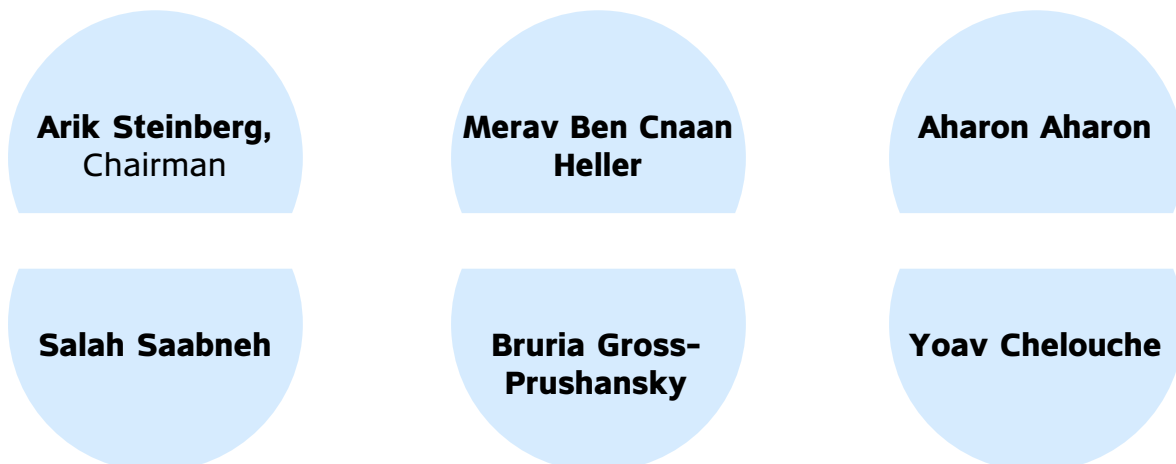
TASE views itself as part of the community. As such, the professional and respectful atmosphere within the Company and outwards is important and prominent in all areas. The employees of the Company are required to act in solidarity, good faith, integrity, sincerity and fairness in any action performed, both within the Company and in dealings with customers and others.

The Company maintains an atmosphere of trust, integrity and mutual respect among the employees and encourages open communication on all levels.

TASE is dedicated to professionalism, both within the Company through the nurturing of the professional skills and knowledge of Company employees, and outwards, in providing the best professional services to its customers. The Company constantly works to improve the services that it provides to the TASE-listed companies. To this objective, it continuously develops innovative and accessible products and solutions to the highest standard.

The Board of Directors of TASE

In 2021, the Board of Directors of TASE comprised six members, including five independent directors and two women (33%).



The role of the Board of Directors is to prescribe the policies of the Company and its strategy and to oversee the performance of the CEO of TASE. Among its duties, the Board of Directors is in charge of the control and supervision of a proper, fair and stable conduct; approval of TASE's rules; monitoring TASE members' compliance with the rules and principles; monitoring any extraordinary activity; appointing and authorizing committees of the Board of Directors; approval of financial statements and ongoing management of predefined topics.

The Board of Directors has two principal committees: the Audit Committee and the Risk Management Committee.

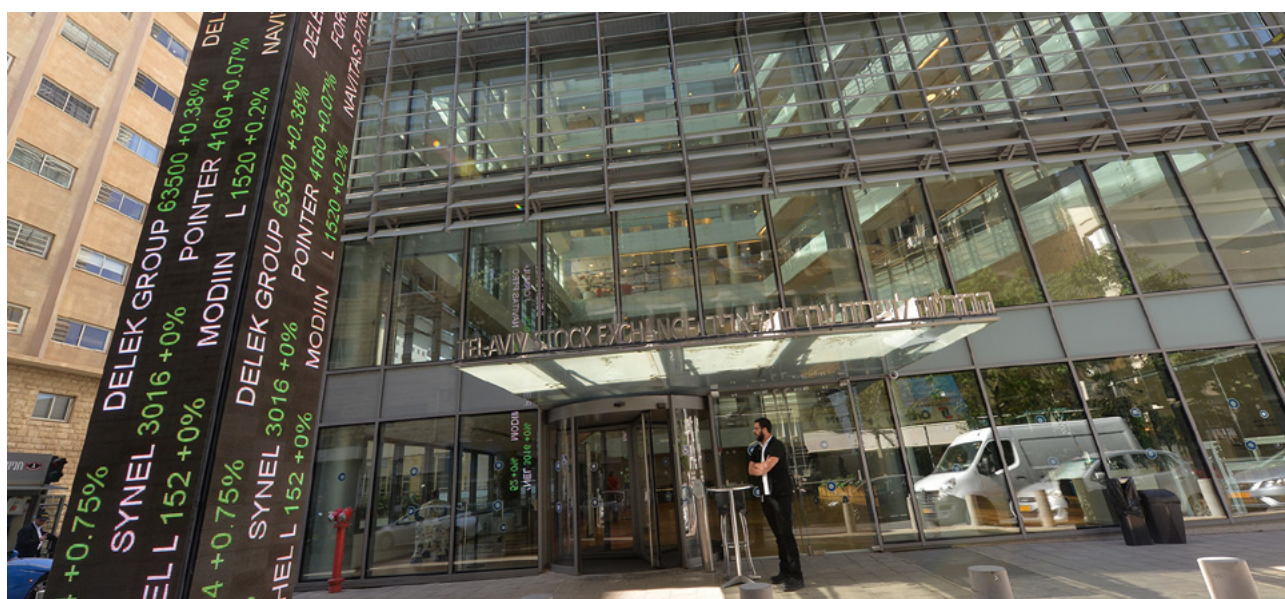
The Audit Committee is appointed by the Board of Directors. Its powers are stipulated in the Companies Law and the Securities Law and it convenes at least once every quarter. Also operating within the framework of this committee are the Compensation Committee and the Committee for the Review of the Financial Statements. The Committee reviews the existence of proper controls in the Company and points out deficiencies in the business management of the Company, particularly in relation to the work plan and to the reports of the internal auditor, the reports of the independent auditors and the reports of the Risk Officer, as well as external reports.

The Risk Management Committee is appointed by the Board of Directors and convenes at least once every quarter. Among the duties of the Committee are recommending the risk strategies, the risk appetite and the risk tolerance, and implementing the strategy.

2021	Audit Committee	Risk Management Committee
Number of meetings	19	9
Participation rate	100%	88%

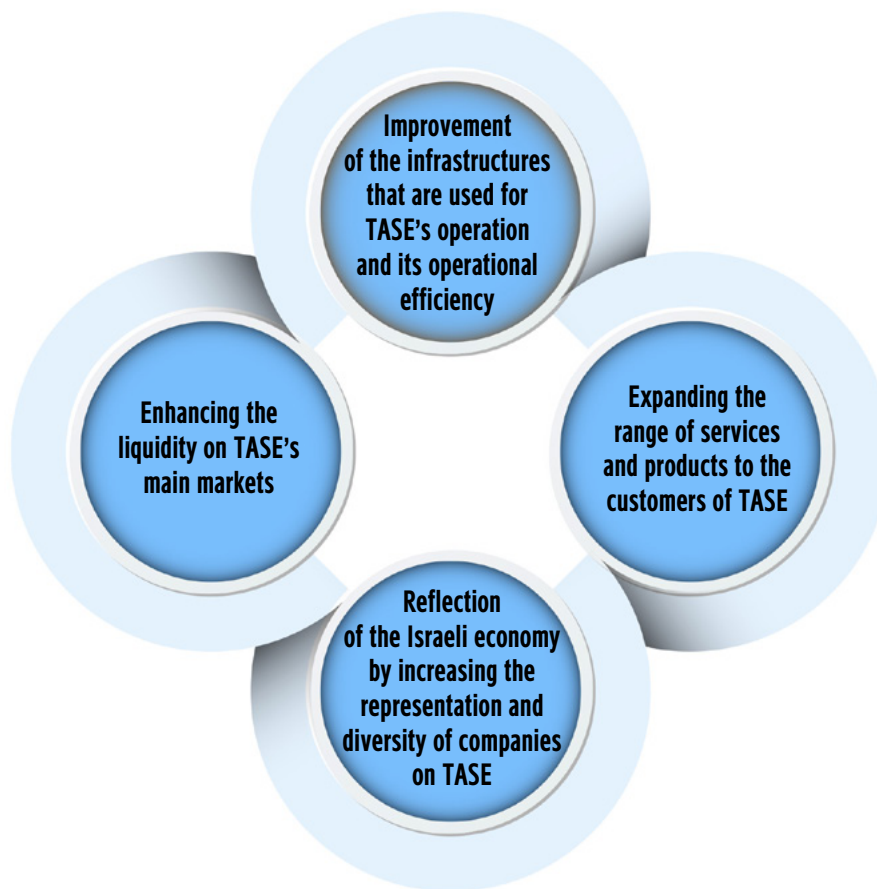
The investees of TASE have separate boards of directors, which are comprised of the directors of TASE and maintain separate committees, based on the needs of the companies:

- The Board of Directors of the TASE Clearing House comprises four members, including three independent directors, one of whom is a woman, and has three committees: Audit Committee, Risk Management Committee, and a Management & Calculation of the Risk Fund Committee.
- The Board of Directors of the MAOF Clearing House also comprises four members, including three independent directors, one of whom is a woman, and has three committees: Audit Committee, Risk Management Committee, a Management & Calculation of the Risk Fund Committee, and a MAOF Equity Options – Adjustment Committee.



TASE's Goals

TASE has a five-year strategic plan in place that was approved in 2017. The plan includes four principal goals in the areas of activity of the Company – which are designed to ensure long-term growth for TASE:



2021 was the final year of the five-year strategic plan, and in 2022 a new strategic plan will be presented to the management and Board of Directors of the Company for approval.

The principals of the new strategic plan were defined based on the progress in implementing the principal goals of TASE and considering the business challenges and opportunities faced by the Company. Within this framework, four principal courses of action have been identified, which will serve as the basis for the work plans of the various departments of TASE in the coming years:

- **Enhancing of the value offered by the core activity**
- **Strengthening TASE's ties with the end-customers**
- **Diversification of the underlying assets that are traded and cleared on TASE**
- **The provision of technological services and solutions**

Claims and Complaints

In the ordinary course of business, TASE receives, due to its area of activity, inquiries and complaints on various topics from its stakeholders. These can evolve into legal claims against the Company. In 2021, no significant complaints or legal claims have been filed against TASE.

ESG Management at TASE

The handling of the various ESG issues at TASE is entrusted to the management of TASE and is concentrated under the Finance Department, headed by the CFO, as part of the ongoing management and the work routines of the Company. As part of its responsibilities, the Finance Department is entrusted with all of TASE's current ESG activities, including advancement of initiatives and goals, drawing up of TASE's Sustainability Report, and more. These issues are periodically reported to the CEO and to the Board of Directors. The Sustainability Report of TASE was approved by management of the Company.

In view of its key role in the capital market, TASE dedicates significant efforts to the handling and advancement of outward ESG aspects relating to the TASE-listed companies. This is entrusted to TASE's Economics Department. The Department is responsible for various related aspects, such as publication of ESG calls to the public towards the formulation of standards and recommendations, promotion of ESG products, and more.

In 2020-2021, TASE carried out several dedicated activities:

- TASE launched two new green indices at the end of 2020: the TA-125 Fossil Free Index and the TA-Cleantech Index. These are joining the long-standing Maala Index.
- TASE is publishing its first Sustainability Report in relation to its ESG activities in 2021.
- TASE has joined the UN's SSE Initiative for encouraging exchanges to engage in ESG. By doing so, TASE joined more than 100 exchanges worldwide that work to advance ESG practices.
- In October 2021, TASE held the very first ESG conference for the public companies, as part of its efforts to increase the awareness to ESG and advance ESG practices among the TASE-listed companies.

Business Continuity

The coronavirus pandemic that broke out in early 2020 has affected TASE, being a source for uncertainty and instability, both in terms of the impact on the market and in terms of its impact on the operations of the Company. Nevertheless, thanks to its quick response and operational readiness, the activity of TASE was not adversely affected.

The Information Technology and Operations Department created a secure work channel for employees, which enabled them to continue their regular work remotely, based on authorizations and the reinforcement of TASE's IT systems. Operational readiness and related preparations allowed a smooth transition to remote work with no adverse effect on TASE's operational activities and on the trading and clearing. The services to companies that applied to offer securities on TASE were also intact.

Risk Management

The activity of TASE is accompanied by an exposure to various risks, including operational risks, strategic and business risks, regulatory risks, reputational risks, financial risks, and legal risks.

To cope with those risks, TASE's Risk Management Department is responsible for establishing policies and corresponding work routines, including the implementation of processes, the integration of tools for the identification, assessment and measurement of the risks, as well as the institution of mechanisms for ongoing reporting and control.

Once every three years, TASE conducts an operational risks survey, with the assistance of an external consultant, for the purpose of identifying and mapping the operational risks inherent in the overall process, in the business lines and in the auxiliary units of the Company. The results of the survey and its recommendations serve as a basis for the improvement and/or the addition of controls, for the purpose of mitigating the identified exposures and risks. The most recent survey was conducted in 2021.

The TASE Group maps the risks to which the Group is exposed. The risk factors identified by TASE in the latest mapping include, inter alia, risks deriving from regulatory changes, cyber risks, risks arising from collective work relations and risks relating to the implementation of the strategic growth plan.

As part of its duties, the Risk Management Department also accompanies processes for the approval of new products. Those processes include identification, assessment, monitoring and control of the risks inherent in the new product, in the process for its setting up and integration into the systems of TASE and in its current operation, and their effect on TASE's overall risk profile.

Financial Performance

NIS, in thousands	2021	2020	2019
Revenue from services	323,657	304,266	260,001
Financing income (expenses), net	4,540	(573)	8,969
Total direct economic value generated by TASE	328,197	303,693	268,970
Costs (excluding payroll and employee benefits and share-based payments)	120,102	114,859	109,010
Payroll and employee benefits and share-based payments	149,134	140,635	136,831
Taxes on income	13,491	11,295	5,571
Dividend paid	18,450	8,770	-
Total economic value distributed by TASE	301,177	275,559	251,412
Economic value retained by the Company	27,020	28,134	17,558

Cyber and Information Security

TASE, as a body entrusted with proper trading processes, sensitive financial transactions among public institutions and retail traders and the presentation of reliable information to the markets, maintains an advanced Cyber and Information Security Unit that is material to the reflection of local trading. TASE is defined as a critical infrastructure in the State of Israel, which is supervised by the National Cyber Directorate. Since 2020, TASE is certified under global information security standard, ISO 27001, for the management of information keeping in organizations, similarly to leading global organizations. This standard ensures confidence in the implementation of stringent information security procedures for keeping the information contained in TASE's databases.

In view of the constant growth in cyber risks on the backdrop of the global technological development, this Unit is of national importance in ensuring proper and reliable economic activity in Israel. The Unit is headed by a Chief Information Security Officer (CISO) appointed by the CEO of TASE.

The main level on which the Cyber and Information Security Unit operates is the current operation of the existing systems and the ongoing testing of the systems' robustness, to ensure the optimal and continuous operation of TASE and trading. Its activities include, inter alia, performance of an information security survey of existing and new systems and ensuring secure development for the purpose of improving coding efficiency and quality. The Unit also holds workshops for employees on the transition to working from a cloud interface. The workshops include a dedicated program for employees to increase the awareness to cyber-attacks (simulation of emails containing phishing links, seminars on cyber-attacks for the professional teams, management drills, system penetration testing and more).

In 2021, an internal drill was performed to test the resilience of TASE's systems to external cyber-attacks. No material deficiencies were found, and the drill was successful. Additionally, in the reporting year, no reports were received on information security and cyber incidents and there were no disruptions to TASE's ongoing activities on this level.

In 2022, concurrently with the ongoing maintenance of the existing projects, the Cyber and Information Security Unit is planning to advance new projects, the principal of which include:

- Integration of a new authorizations' system that will help mitigate password exposure, by implementing login through a secure system with random passwords for the various systems.
- Upgrading of the backup system to be malware proof – the improved backup system will be separate from the TASE sites and will contain additional defenses for the information that it keeps, which will provide significant protection for the information contained on the servers of the Company.

As part of its ongoing activities, TASE dedicates significant efforts to strengthening the ties with the public and increasing the public's involvement and participation in the success of the local economy. TASE prioritizes the removal of trading barriers and making the capital market accessible to the public, in order to allow the public to enjoy a bigger share of the success of the local companies and the Israeli economy. In 2021, TASE continued to pursue financial education for the public by improving the accessibility of trading data, expanding the knowledge base and promoting reduced-fee trading. All these are presented in a straightforward everyday language and are available free of charge on the TASE website and app.

In 2021, TASE launched two campaigns for improving the public's financial education:

- **The “Worth to Compare” campaign to encourage the public to compare commissions:** a move for increasing the awareness to the rates of the commissions that are paid by the public, using a simple, free and easy comparison on TASE's fees calculator, which is designed to encourage engagement and benefit the investors. As part of the campaign, a dedicated page was launched on TASE's website and app to enable an easy and smart comparison of the trading commissions. In view of the growing number of new investors in the capital market in 2020–2021, TASE believes that increasing the public's awareness to the comparison of commissions is of great value.
- **The “Financial Coaching” campaign for improving familiarity with the products of TASE:** another important item in TASE's financial education endeavor is improving the public's acquaintance with the capital market and the various investment products offered by TASE. Throughout 2021, TASE and the Israeli Professional Football Leagues carried out the “Financial Coaching” program, during which the football players met with professionals from TASE to learn more on the financial management of their pensions and savings, investment products, diversification of risks, managing a budget, and more. The campaign included the launch of a dedicated website with basic terms for the novice investor, FAQs, and smart investment tips.



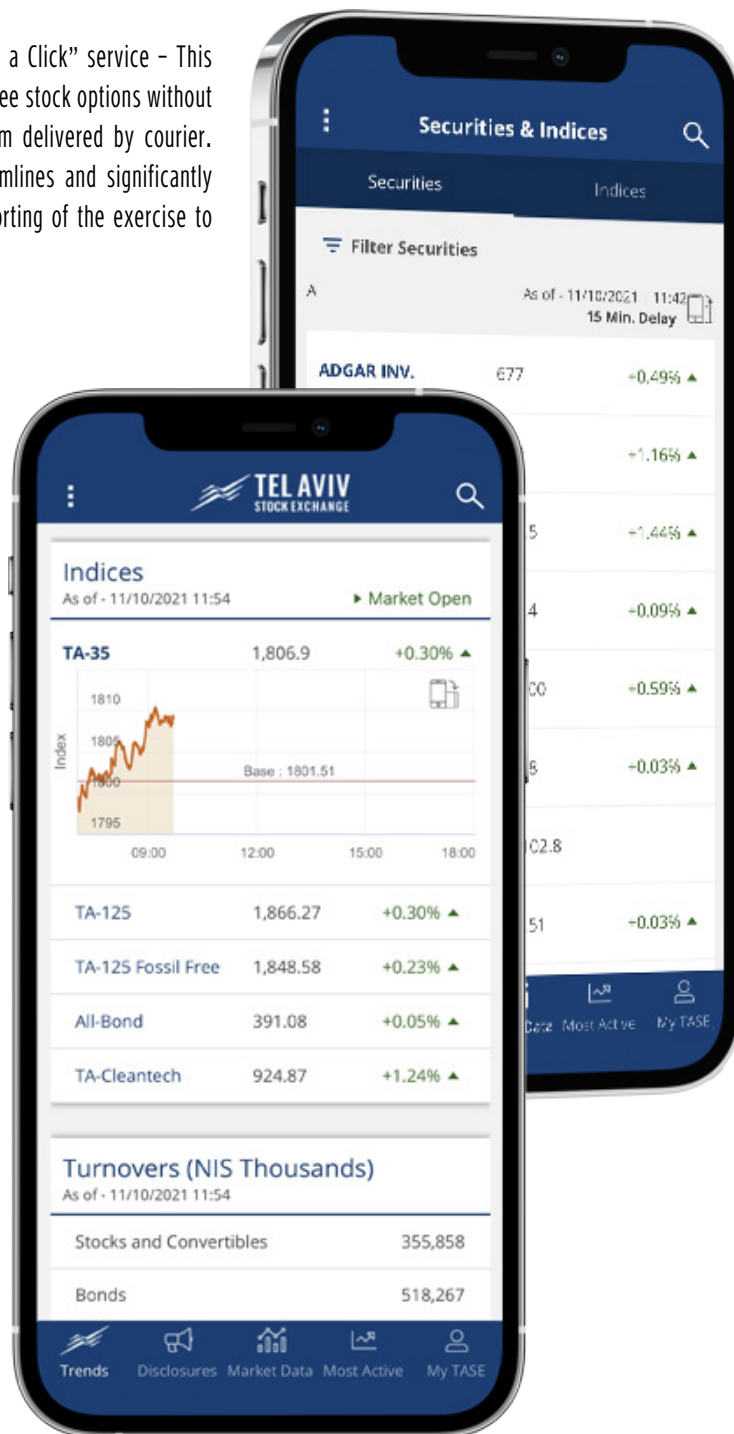
In 2021, TASE signed a memorandum of understanding with the Abu Dhabi Securities Exchange (ADX) for a cooperation that marks Israel's first commercial relationship with an exchange from the Arab world. The memorandum will open new lines of communication that will facilitate further collaborations between the exchanges and growth for both countries. The opportunities are reflected in the cross-listing of securities, mutual trading between the exchanges, improved access for investors, information sharing and the establishment of technological capabilities in various fields.

Automatization and Digitalization of Processes on TASE

TASE dedicates substantial resources to improving and increasing the efficiency of processes in many aspects of its operations. In recent years, the most significant aspect has been the automatization and digitalization, which meets TASE at every crossroad of activity - both internally, in the form of the upgrading of the systems and Clearing Houses, and externally, in the form of the promotion of various initiatives with the investors and the TASE-listed companies. For example, the end-to-end automatization of offerings that is planned for 2022 is a revolutionary process that could help remove trading barriers and streamline processes for companies planning an offering.

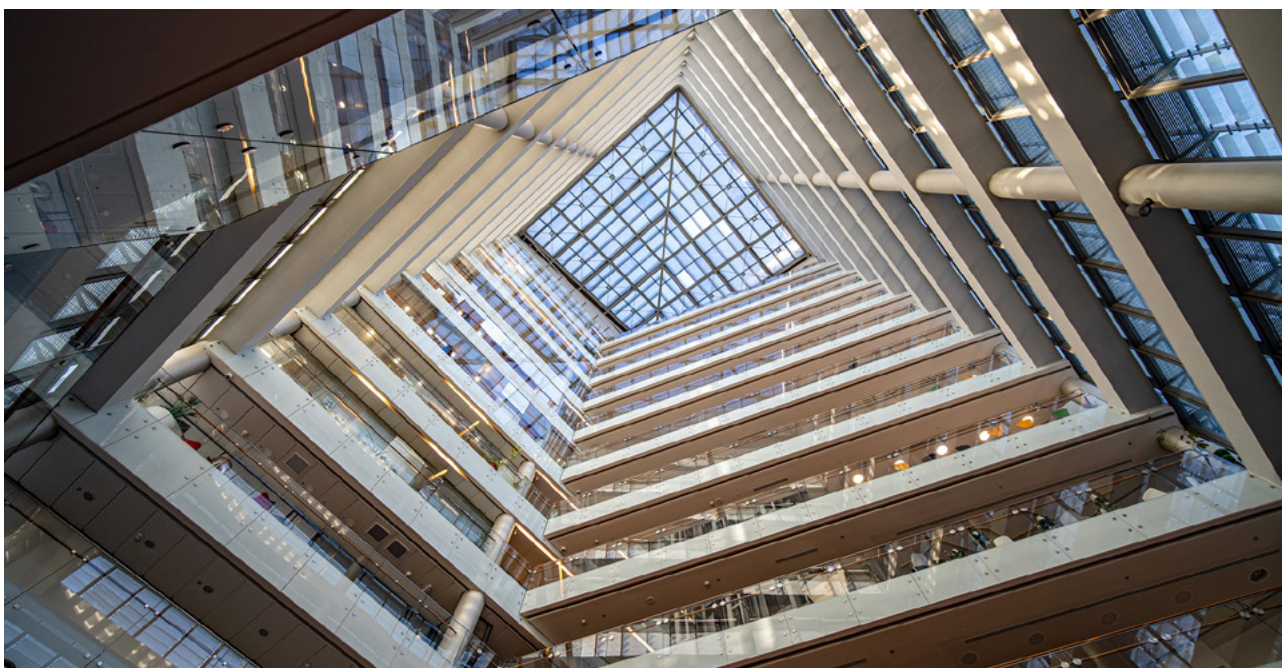
Since 2020, the Nominee Company operates the “Options at a Click” service - This innovative service enables a secure digital exercise of employee stock options without drafting documents, signing them manually and having them delivered by courier. As the service is available anytime and anywhere, it streamlines and significantly shortens the duration of the process from the trustee’s reporting of the exercise to the actual deposit of the shares in the employee’s account.

TASE operates a website and a dedicated app, TASE - Tel Aviv Stock Exchange, for the purpose of making TASE’s services available to its customers, and uses them to present trading data on securities, ETFs and derivatives, data on indices and market trends, studies, reports of public companies on the MAYA system, information on trading and offerings, educational content and more. In 2021, TASE has made various upgrades to the digital systems that support different business processes, including the creation of a unified personal area for all TASE websites, with services to registered users only, upgrading of the app’s interface, launch of an English app, upgrading of the trading data screens and more.



TASE constantly works to improve and develop tools to take trading to the next level and provide new abilities to investors, traders and companies. In 2021, TASE worked on several different levels to upgrade products and services and to improve the interface with the various stakeholders. These actions included:

- **Creating an infrastructure for the improvement of the derivatives markets** - In the first stage, which came into effect in January 2021, the infrastructure performs a daily revaluation of the overall derivatives in the market, whether or not they were traded. The infrastructure is designed to resolve a long-time market failure, where the revaluation of securities was performed independently and non-uniformly by the various bodies, resulting in a significant waste of resources. The second stage is planned to be carried out during 2022.
- **Upgrading of the trading infrastructure by establishing a uniform protocol for the various systems** - The upgrade is designed to improve the efficiency and cohesiveness of the internal communication between the various system components. Moreover, the upgrading has modified the information collection capabilities of the system components, thanks to the integration of a dedicated protocol for the constant listening of all system components, which enables each component to receive the information specific to it. This method facilitates technological advancement and significantly improved scalability compared to the old method, for example, by performing a modular infrastructure updating to meet the market needs. This upgrade will TASE to offer additional technological services to various parties.
- **Upgrading of the reporting system of the TASE Clearing House and the MAOF Clearing House** - The upgrade includes the replacement of the existing reporting system that was based on outdated technology, with a new system. The upgrading of the Clearing Houses also included the review of the existing modules and the setting up of new modules, as necessary.
- **Automatization of the offering process** - As aforesaid, TASE has put into motion a process for improving the efficiency of the offering process through its end-to-end automatization. This will simplify the offering process for all types of companies, both as regarding compliance with requirements and the submission of documents, reduce the necessary resources, such as work hours and paper, and contribute to a more focused and efficient process. The digital offering process is planned to be ready for use by the companies in 2022.
- **Constant improvement of the capabilities of the application programming interface** for the TASE data, which enables the swift and reliable transmission of information to the various stakeholders. TASE already offers a wide range of applications under the umbrella of this service, and is planning to add various additional applications that will enhance the independent analysis capabilities of the various stakeholders based on the data published at TASE.



Reflection of the Local Economy

TASE values the advancement and reflection of the local economy. To this end, it works to increase the representation on TASE of companies from all sectors of Israeli economy, which enables their exposure to institutional capital and opens new routes for the development of their activities. TASE serves as a significant growth infrastructure for the market and is the “home court” for those raising capital in Israel, companies and the Government, as well as for the investors and the Israeli securities sector. TASE enables companies to raise the capital required for their development, thereby contributing to the strength and growth of the Israeli economy and to creating jobs.

For investors, TASE is an advanced and reliable trading arena for the purchase and sale of securities, including a wide range of financial instruments.

In 2021, a record number of new companies joined TASE in the strongest wave of IPOs since 1993, allowing for a broader and more comprehensive representation of the companies operating in the Israeli economy. Most of the companies that joined TASE are high-tech companies, in line with TASE’s goals of increasing the local trading of high-tech companies.



Market by Order

At the end of 2021, TASE launched a new data distribution service - **Market by Order data protocol**. This service includes the full order book, down to the individual order, as opposed to only the five highest price levels per security.

Distribution of the full order book enhances the transparency of the overall trading processes that affect the compilation of the various price levels, and is common practice in leading global exchanges. The launch of the new data distribution service will allow for a smoother journey into the capital market by foreign investors, who are accustomed to trading systems that use similar protocols, and by doing so, TASE aligns with international standards.



SOCIAL

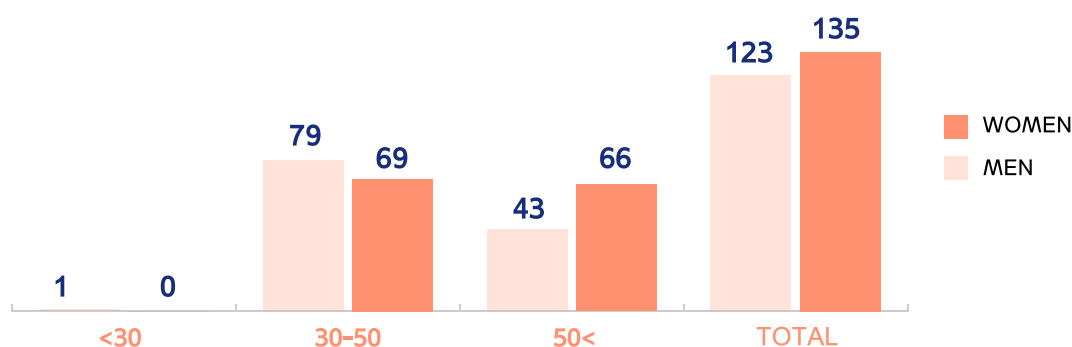
TASE highly values the creation of a respectful, inclusive, challenging and stimulating work environment for its employees. The Company prioritizes the nurturing of its human capital and dedicates significant efforts and resources to the employees and their work environment. TASE offers its employees opportunities for development and growth that promote excellence and professionalism.

As of the end of 2021, TASE has 258 employees, consisting of salaried employees, employees in a trial period and contract workers. In addition, TASE employed close to 80 outsourced employees.

The employees of TASE, other than the executive managers, are covered by a collective agreement that provides for the terms of pay and the related social benefits. The executive managers are covered by personal contracts.

The employees committee is updated in advance on any organizational changes in the Company, prior to its execution. Additionally, early notice is given to the employees, in accordance with the collective agreement and depending on the nature of the requested organizational change.

Presented below is the composition of the TASE employees at the end of 2021:



TASE's Human Resources Department is entrusted with creating a comprehensive organizational culture that is founded on a set of values, a Code of Ethics, communication within the organization, social responsibility, discipline, formal procedures, and proper work relations. The Department is in charge of implementing and enforcing the set of labor laws that apply to TASE in its dealings with the TASE Employees and with the employees committee, and is also entrusted with the holding of negotiations and the signing of collective agreements and pay agreements with the employees committee, which serve as the basis for TASE's pay policy and terms of employment.

In addition, the Human Resources Department oversees the assimilation of the Code of Ethics in the organization and its enforcement, as well as the assimilation of the regulations and procedures with which the employees of TASE Group are obligated to comply, as follows: work discipline, prevention of sexual and other harassment, confidentiality, information security, Code of Ethics, Employee Complaints Procedure, accessibility, and more. The Human Resources Department handles any disciplinary incident and/or violation deriving from TASE's Code of Ethics. Such handling is carried out in conformity with the collective agreement and the provisions of the law. In addition, an Employee Complaints Procedure is distributed to the employees annually.

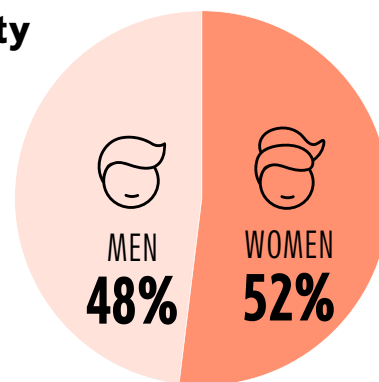


Diversity in the Workplace and Equal Opportunity

TASE is dedicated to ensuring diversity in the workplace in general, and gender diversity in particular.

As of the end of 2021, 52% of the employees at TASE are women. Women's executive representation is 42%.

A review performed in 2021 revealed no significant pay differences between women and men in similar positions among the TASE Employees, and no cases of discrimination were recorded.



Presented below is the ratio of the average monthly salary cost of men to women, by rank categories:

	2021
Company employees	109%
Of which: heads of units ¹	88%
Members of management (excluding the CEO)	100%

Presented below is the ratio of the average monthly salary cost of the highest paid employee to the median average monthly salary cost of all employees (excluding the highest paid employee):

	2021
Company employees	224%
Members of management	307%

All TASE Employees are entitled to parental leave, men and women alike. In 2021, three employees took parental leave – all have resumed or will resume their work at TASE at the end of the leave; two returned in 2021 and the third will return at the end of the parental leave.

The Company highly values the inclusion of diverse populations at TASE. For this purpose, TASE has two integration programs. The first, a project for the integration of people with high functioning autism in the organization. As part of the program, these employees perform various jobs that provide them with a set of tools and skills, which will serve them in their personal and professional future and help them take part in the work market. The second program was a give back to the community project. This project is designed to integrate youths aged 16-19 (or until their recruitment to the IDF). These youths, who dropped out of the school system fill various jobs in the organization and gain tools for their future, such as responsibility, work processes, and personal and organizational values that serve as a supportive and defining daily framework. In 2021, 5 youths participated in the program.

Advancement of Women

- **Promotion of gender diversity in the industry** – Leading a program for the training of women executives in Israel, in cooperation with Supersonas, a national social organization dedicated to paving the way for a balanced presence of women in influential and decision making positions in the Israeli economy. The program consisted of eight sessions for women executives in TASE-listed companies and was designed to help them to climb the ladder towards CEO and directorship positions, by providing them with management tools and creating a community of women peers. The participants continue to strengthen the community of peers eve after the conclusion of the program. In 2021, the first class of this program opened, with 25 women executives from Israeli public company. In view of its success, another class is planned to open in 2022.
- **“Market Chic”** – A series of economic-social meetings for all women. The meetings are held by TASE in cooperation with IBI Investment House. Each meeting holds 200 participants at TASE’s Conference Center. The initiative, which commenced in the past decade, is designed to un-complicate economics and finance, through a meeting with women who hold key positions in the Israeli economy. The meetings serve a dual purpose: getting to know the TASE-listed companies and bringing women together women from different sectors of society. Each meeting hosts several women speakers who address a specific topic. In 2021, a meeting on FoodTech was held, which hosted speakers from leading companies in this field.
- Every year, to celebrate **International Women's Day**, TASE holds a special Opening Bell Ceremony with women CEOs from TASE’s new companies. The event is held as part of an initiative of the World Federation of Exchanges, in which 120 exchanges worldwide participate.

¹ Heads of units are executive managers in the Company, who report to the members of management

Employee Welfare

TASE dedicates substantial resources to improving and maintaining the organizational climate, creating a connection with its employees and assimilating a supportive organizational culture, including constant improvement of the work environment and conditions and ensuring a sense of security and stability among the employees.

TASE initiates various welfare activities during the year, including cross-organization events, department get-togethers, recreational days and other activities to brighten the organizational climate. In addition, the Company marks personal events in the life of the employee and holds welfare activities for the employees to prevent stress and burnout. More over, TASE provides social benefits to its employees beyond those required by law, such as participation in employees' fees, education supplements to children of employees and periodic health checks.

Support of the Human Capital in the Coronavirus Period

Over the past two years, like most of the global employment market, the Company was faced with the difficulties and challenges experienced by the employees as a result of the pandemic outbreak. While many employees in the Israeli economy were forced to take unpaid leave and even dismissed, TASE was resolved to maintain and retain its employees - no employees were sent on unpaid leave or dismissed during this entire period. The Company enabled remote work from home, adopting a hybrid work format. TASE made sure to constantly maintain the contact of employees working from home with their direct superiors and between the employees and the Human Resources Department.

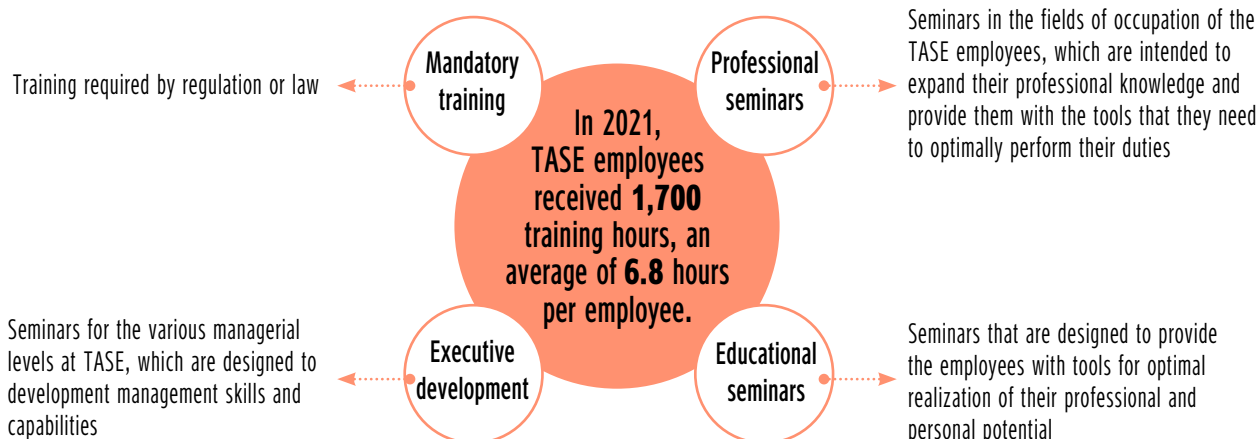
Training and Development of Employees

Excellence and professionalism are among the core values that lead TASE and characterize its business activity. TASE dedicates significant resources and efforts to improving the professional and personal skills of its employees, by offering them courses, workshops, seminars, and more. Within this framework, TASE provides training and development opportunities to employees in all departments of the Company, based on professional, management and regulatory needs alike.

To ensure that the training program is spot on, a training needs survey is conducted once a year, based on which the mandatory, professional and management training sessions are determined. The annual training program is customized for the various target audiences at TASE, in accordance with TASE's strategic plan. Training is provided via various methods, both through digital courseware and in actual meetings and practice.

In addition, TASE offers educational seminars to employees. These seminars vary from one period to the next - in 2021, for example, in addition to the professional and regulatory training, the educational program focused on "Inside Look", with content and speakers from TASE itself, who presented topics such as: principles of trading on TASE, clearing of securities, acquaintance with indices, acquaintance with the TASE derivatives market, and more.

Types of seminars provided to the TASE employees:



Additionally, the TASE employees are entitled to participate in a personal guidance program that prepares them for the conclusion of their employment at TASE, upon reaching retirement age. The process consists of several stages, commencing six months prior to the conclusion of their employment at TASE.

Employee Evaluation Process

The employee assessment and feedback processes at TASE are conducted in two ways:

- **Assessment process for TASE employees in a trial period** – TASE dedicates significant resources to locating the most suitable employees. After the employee is received in the organization and in order to examine the employee's suitability and functioning in the position and the organization, TASE holds periodic professional assessments.
- **Assessment process for all TASE employees** – TASE holds a feedback process for all employees annually. As part of the process, personal and professional goals are set for each employee, based on his or her position, and the achievement of the goals that had been set for the past year is examined.





ENVIRONMENT

The combination of ESG considerations with investment decision-making as well as the increase in indices and ratings of public companies based on their ESG-related activities have been gathering significant momentum internationally in recent years. The growing awareness to ESG aspects is reflected in stakeholders' demand for transparency of companies' non-financial information and data. In addition, investors have become more involved and are interested in investments that correspond with their values, including as regarding positive ESG effects and impact, and prefer to invest in companies that work to improve those aspects as part of their activities.

TASE sees a clear global trend of the incorporation of those aspects also in the financial products and services. These products are varied and have different objectives:

- **Indices and ETFs with “green” and/or “social” characteristics** - These indices are comprised of companies that operate in environmental and/or social fields and that promote those topics as part of their activities.
- **“Green” and/or “social” bonds** - The purpose of this tool is to finance activities for specific topics that have positive impact on society or the environment, such as renewable energy project, advancement of public transportation, setting up of waste treatment facilities and more.
- **ESG- linked bonds** - These bonds are similar to “green” and/or “social” bonds in their ultimate product, but differ in the linkage of the financing terms to the achievement of predefined ESG performance targets. Adoption of ESG aspects into existing financial instruments adds credibility and appeals to both the issuers and the investors, with a built-in incentive for the improvement of the ESG indicators within the issuer's organization.

12 ETFs and tracking funds on ESG indices launched by TASE are currently traded on TASE, with total assets of NIS 100 million. In addition 29 ETFs and tracking funds on global ESG indices are traded on TASE, with a total value of NIS 1,440 million, one of which is a foreign ETF¹.



¹ The data is effective for February 2022

TASE is dedicated to the advancement of ESG activities among the TASE-listed companies

TASE has joined 45 other exchanges around the globe that had launched “green” indices, adding two new indices to the Maala Index:

- **TA-Maala Index:** Maala is an umbrella organization of close to 120 Israeli companies that works to promote corporate social responsibility, sustainability and ESG practices in the business sector. In 2005, TA-Maala was born, which comprises all companies in the organization that are also listed on TASE. The index is updated once a year following the publication of the annual Maala rating and enables the combination of financial performance and ESG-related performance.
- **TA-125 Fossil Free Index:** At the end of 2020, TASE launched TA-125 Fossil Fuel Free Climate Index. This index represents all the companies in the TA-125 Index, Fossil corporations as determined by Life and Environment organization.
- **TA-Cleantech Index:** This index is comprised of companies in the field of renewable energy. This index supports the green energy in Israel and promotes companies that operate in the local market.

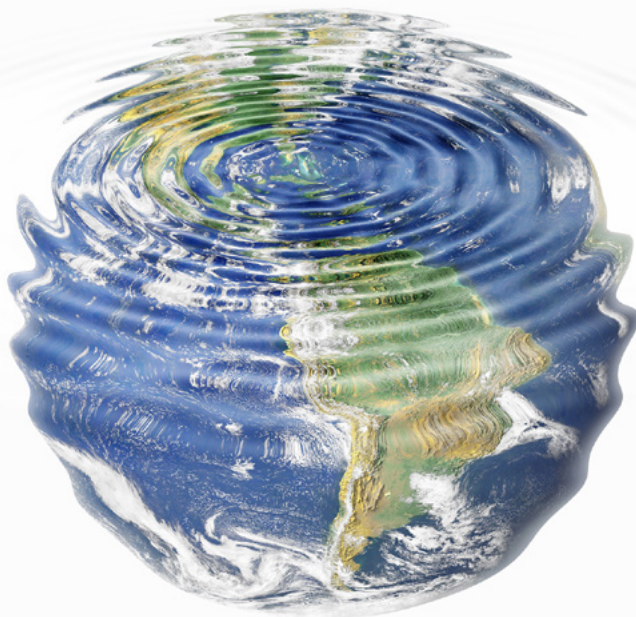
The Cleantech subsector includes companies that develop or use technologies that reduce negative environmental impact, in the following fields: sustainable energy, energy conservation and storage, waste recycling, water purification or sewage treatment, desalination and production of biofuels. As of December 2021, there were 14 companies in the Cleantech subsector, with a total market cap of NIS 11 billion.

Following the wave of offerings by renewable energy companies on TASE over the past two years, the Cleantech Subsector was split and in 2021 a new dedicated subsector was launched – the **Renewable Energy Subsector**, which comprises companies that engage in the initiation, development, setting up and operation of green energy generation facilities utilizing renewable energy sources, such as solar, wind and geothermal energy and pumped storage. At the end of December 2021, the Renewable Energy Subsector included 13 companies with a total market cap of NIS 36 billion. These companies also have corporate bonds and convertible bonds with a market cap of NIS 5 billion.

There are additional technology sectors on TASE that address social-environmental improvement and the resolving of ESG-related issues. Among these constantly growing sectors are Biomed, FoodTech, Biotechnology, and Robotics & 3D.

Another significant move for the advancement of green initiatives in 2021 was the approval by TASE of a change to the TASE Rules, in view of requests by oil & gas partnerships to allow investment in renewable energy projects. The reasoning for this move is the partnerships' aspiration to adapt to a transition to the use of renewable energy resources, in response to ESG concerns among the investors and in view of the market performance of this sector. The approval is conditional upon the total investment in renewable energy projects not exceeding 25% of the total value of the partnership's assets.

In line with the global trend of increasing the assimilation of ESG aspects in the activities of companies and the existing financial products, TASE is planning to expand its consideration of such aspects and their implementation and advancement both in its own activities and among the TASE-listed companies. Within this framework, in January 2022 TASE published a call for the public's input concerning the disclosure of ESG-related information by public companies. The document raises the questions of whether major public companies should be required to publish ESG reports, fill out an ESG questionnaire, as is the case in leading global exchanges, and whether the public companies should be required to increase the representation of women in their boards.



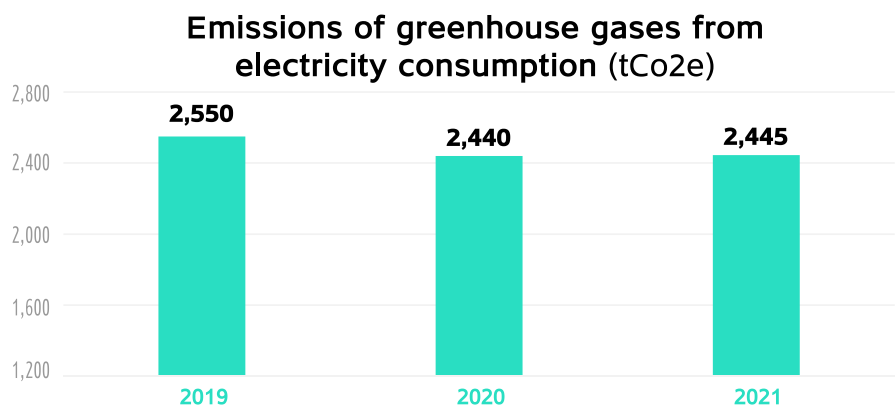
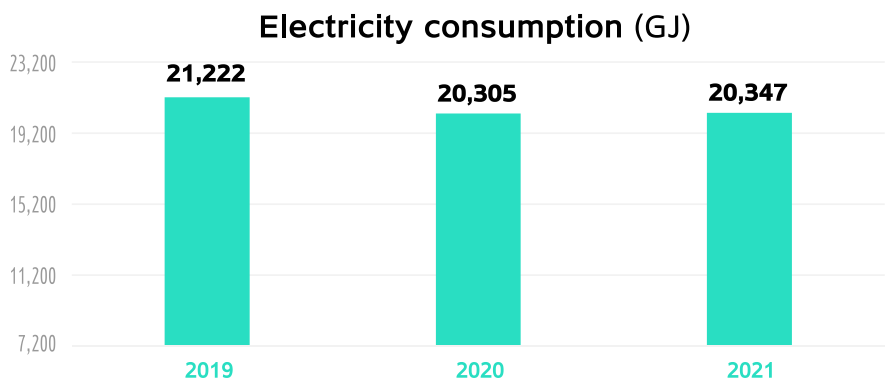
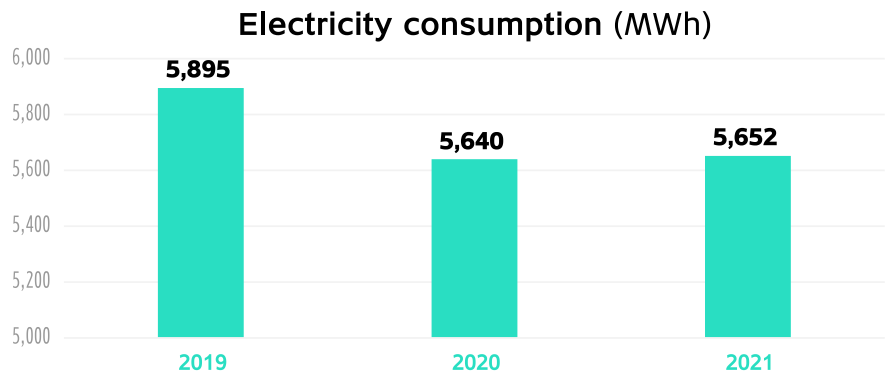
The Company's Environmental Impact and Performance

TASE aims to reduce the environmental impact of its activities. Most of the environmental impact derives from the operation of the offices, consisting of energy consumption and management of resources and waste. TASE works to reduce its carbon footprint as much as possible, through efficient consumption of electricity, optimal use of resources and reduced production of waste from the operation of the offices.

TASE's principal energy consumption derives from the use of electricity for the operation of the TASE building and offices. A significant portion of the energy consumption relates to the air conditioning of the offices and the operation of the Conference Center and the server farm (data center). The Company takes actions to improve energy efficiency, including the use of a system that reduces the use of power after hours, replacement of light fixtures with LED lighting, improving the efficiency of the air conditioning systems, and more. In addition, the Company is transitioning to digital auxiliary processes to reduce the consumption of paper in the offices, replacing single-use plastics with reusable alternatives, and more.

The TASE building complies with the requirements of Israel Green Building Standard 5281. The facade of the building is comprised of two layers of aluminum and glass that simultaneously provide insulation and shade. This advanced double layer provides special energy insulation to the building, creating convenient climate conditions. This is reflected in more moderate temperature differences, in both summer and winter, and reduces the use of air conditioning.

TASE's electricity consumption data:



We are proud to present to you the first Sustainability Report of The Tel-Aviv Stock Exchange Ltd., which provides an overview of the principal environmental, social and governance (ESG) activities of TASE Group in 2021 and the overall effect of the business activity of TASE on its stakeholders.

The publication of the report is an expression of TASE's ongoing commitment to the promotion of ESG as an integral part of its business operations. TASE plans to issue Sustainability Reports on an annual basis.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The report also conforms to the requirements of the Impact Nation program of the Israeli Ministry of Strategic Affairs, in which we are honored to take part, with the assistance of KPMG Somekh Chaikin.

The information presented in the report was collected from TASE's IT systems and various organizational sources, with the guidance of external consultants. The report is available for digital download only and is not printed.

This report is not a part of the financial statements, immediate reports, or periodic reports of TASE. In the event of any inconsistency or contradiction between the stated in this report and the aforementioned reports of the Company, the stated in the aforesaid reports shall prevail.

For any inquiry, comment or matter pertaining to the report and its content, please contact one of the following:

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TASE has made utmost efforts to ensure that the information that is included in the report is accurate and current to the date of the report. Nevertheless, despite the aforesaid, there may be errors, deficiencies and/or defaults in the report.

TASE does not assure the suitability of the information included in this report for any purpose whatsoever and does not undertake to update the report in respect of any changes/ updates that occur after its drawing-up date. Accordingly, the companies in TASE Group, their managers, employees and those representing them or acting in their name or on their behalf will not be accountable to any third party for any loss or damage that may result from the use of the information included in the report.

Topic	Indicator	Indicator name	Page in report	Details
Profile of the organization	102-1	Name of the organization	4	
	102-2	Activities, products and services	4	
	102-3	Location of headquarters	4	
	102-4	Location of operations	4	
	102-5	Ownership and legal form	6	
	102-6	Markets served	4	
	102-7	Scale of the organization	4	
	102-8	Information on employees and other workers	26	
	102-10	Significant changes to the organization and its supply chain		The first report published by the Company
	102-11	Precautionary Principle or approach	19	
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