




CORPORATE RESPONSIBILITY REPORT 2009-2010

Gazit-Globe




Contents | GRI Index

Publication Date: August 2012



For us, Corporate Responsibility means going beyond compliance and striving to do what's right for our stakeholders, the environment and the community.



Shelton Plaza, Hollywood, Florida, USA

Section 1.
ABOUT GAZIT-GLOBE



Our uncompromising pursuit of growth and efficiency creates a ripple effect that benefits our stakeholders as well as our tenants, consumers and society.



Mendota Park, Irvine, California

Section 2.
ECONOMIC PERFORMANCE



Our success is based upon the unique talents, commitment and professionalism of our team. That is why we are dedicated to providing our people with the right environment and tools for success.



Old Oakville Market Place, Oakville, Ontario, Canada

Section 3.
LABOR PRACTICES
& HUMAN RIGHTS



In our quest for excellence, we are continually raising the bar to improve our business practices, aiming for higher levels of transparency, fairness and ethical conduct.



San Pellegrino, Canada do Rio, Brazil

Section 4.
SOCIAL PERFORMANCE



We have made environmentally friendly principles a part of our operational DNA.



Gwinnett Town Square, Georgia, USA

Section 5.
ENVIRONMENTAL
PERFORMANCE



As a global leader, we aim for a higher CSR standard: Doing What's Right.



The Gallery at Westbury Place, Long Island, New York, USA

Section 6.
GLOBAL REPORTING INITIATIVE
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From our PRESIDENT

Dear Stakeholder,

We are proud to present our Corporate Responsibility report for 2009-2010.

In our view, Corporate Responsibility is all about achieving economic success while acting for the good of society and the environment. To reach this ideal, we have formulated ethical standards and Corporate Responsibility policies according to which we evaluate our actions, and comply with both the letter and the spirit of relevant laws and international norms.



As a further demonstration of our commitment to Corporate Responsibility, in 2010 we adopted the principles of the United Nation's Global Compact initiative and incorporated them as part of our business practices. The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. Our commitment to Global Compact permeates our strategies and management practices.

Our properties, located in high-density, urban growth regions, are destinations for millions of consumers fulfilling their every day shopping needs. We have therefore committed ourselves to becoming the best and most responsible corporate citizens that we can be, whether measured in terms of corporate, social or environmental standards. As we make changes for the better, we are benefiting in many tangible as well as intangible ways, as our improved efficiency helps to increase our financial stability and to ensure our long-term viability.

With the conviction that good corporate citizenship makes both ethical and economic sense, we have expanded our adoption of green building practices and increasingly conform our development and redevelopment activities to LEED® (Leadership in Energy and Design) certification standards. We also continue to introduce comprehensive programs to reduce our energy consumption and to recycle materials. In parallel, we have scaled up our community programs through our support of numerous educational and social initiatives.

Taken as a whole, we view the Corporate Responsibility reporting

process as an important element that keeps us focused on our goals and enables us to measure our steady progress in these vital areas. We are proud to detail our successes thus far, and are also committed to transparent reporting in the future. This report further demonstrates our acceptance of accountability for the social, environmental and economic impact of our operations and our commitment to the highest standards of corporate governance, transparency and business ethics.

A critical goal of our Corporate Responsibility reporting is to encourage a dialogue with our stakeholders. This

dialogue requires not only transparency but consistent and reliable data. We welcome this aspect of the effort, and hope that this Corporate Responsibility Report promotes stakeholder involvement and feedback regarding important issues.

With each step forward, we recommit ourselves to the work at hand, and look forward to additional achievements as our programs become further established in our corporate culture. We invite you to chart our progress in the years to come.

About this REPORT

This report covers our Corporate Responsibility activities during 2009-2010 and follows our previous report for the years 2007 and 2008. It is an important tool in our ongoing efforts to increase our dialogue with the Company's stakeholders, and reflects our policy of maintaining a high level of transparency. In this report, we describe our business approach and operations, and how they affect the environment, those communities that we serve and in which we operate, as well the economy, in general.

This report also details our relationship with various stakeholder groups. We identify these groups by determining who is impacted directly - or indirectly - by our business activities, or with whom we have day-to-day interaction or a mutual dialogue, or wish to engage in one.

We aim to publish Corporate Responsibility reports on a bi-annual basis. The report also includes information related to activities following the reporting period which is noted accordingly.

As part of our emphasis on Corporate Responsibility best practices, we established a Corporate

Responsibility Steering Committee comprising management and external advisors. This committee helped us to determine the appropriate content, scope and structure of this report.

In producing this document, management utilized the G3.1 Global Reporting Initiative ("GRI") reporting standard, a widely-accepted and inclusive reporting framework that has also been adopted by our subsidiaries, to promote transparency and adherence to internationally accepted standards. We also highlight our participation and leadership in broader initiatives that promote Corporate Responsibility around the globe.

This report includes material information relating to Gazit-Globe as well as data collected by several of the Group's subsidiaries abroad, including Equity One in the United States, First Capital Realty in Canada, and Citycon in Northern Europe. These publicly traded companies represent Gazit-Globe's major holdings in which we conduct a material portion of our activities and are fully consolidated in our financial reports. The report also includes information from our Israeli privately held subsidiary, Gazit-

Globe Israel. Their operations reflect our values and our commitment to promote and implement Corporate Responsibility. All data compiled by our subsidiaries regarding economic, environmental, human resources and other metrics was formulated in accordance with Best Practices.

The data from the following reports of our subsidiaries were included in this Report:

- **First Capital Realty:** 2010 Annual Report; 2011 Corporate Responsibility and Sustainability Report (GRI Application Level B+)
- **Citycon:** 2010 Annual Report; 2011 Annual and Sustainability Report (assured by KPMG to correspond to GRI Application Level B+)
- **Equity One:** 2010 Annual Report; 2011 Corporate Responsibility and Sustainability Report (GRI Application Level C)

All information contained in this Report was prepared by qualified professionals, and all calculations are based on widely-accepted standards. We have noted when specific calculation models have been used.

The Global Compact

The Global Compact is an initiative developed by the UN aiming to mobilize the international business community for the adoption in their business practices of internationally accepted values which are represented in 10 fundamental principles in the areas of Human Rights, Labour Standards, Environment and Anti-Corruption. Gazit Globe is signatory since 2010.

Human Rights



Businesses should support and respect the protection of internationally proclaimed human rights; and



make sure that they are not complicit in human rights abuses.

Labor



Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;



the elimination of all forms of forced and compulsory labour;



the effective abolition of child labour; and



the elimination of discrimination in respect of employment and occupation.

Environment



Businesses should support a precautionary approach to environmental challenges;



undertake initiatives to promote greater environmental responsibility; and



encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption



Businesses should work against corruption in all its forms, including extortion and bribery.



For us, Corporate Responsibility means going beyond compliance and striving to do what's right for our stakeholders, the environment and the community.



Sheridan Plaza, Hollywood, Florida, USA

Section 1. ABOUT GAZIT-GLOBE

INTRODUCTION



GAZIT-GLOBE

Gazit-Globe (TASE: GLOB; NYSE: GZT), one of the world's leading multinational real estate companies, engages in the acquisition, development and management of income-producing properties. We focus on necessity-driven real estate - primarily supermarket-anchored shopping centers in urban growth markets with high barriers to entry and attractive demographic trends. In addition, we are active in the healthcare real estate sector in North America.

Our Group operates in more than 20 countries. As of December 31, 2010, we owned and operated over 660 properties with a gross leasable area of approximately 6.4 million square meters, a consolidated total asset

value of approximately NIS 57 billion, and a gross annualized income of approximately NIS 5.6 billion.

We operate internationally through a number of publicly-traded and privately-held subsidiaries whose shares are listed on several major stock exchanges, including the New York Stock Exchange, the Toronto Stock Exchange, the Helsinki Stock Exchange, Euronext Amsterdam and the Vienna Stock Exchange. Gazit-Globe's shares are listed on the New York Stock Exchange (as of December 2011), as well as on the Tel Aviv Stock Exchange (TASE) where they are included in the TA-25 and the Real-Estate-15 indices.

Our Mission

We view our mission as maximizing shareholder value by continually and consistently growing our global real estate platform, our cash flow and our dividends, all while operating according to a commitment to full transparency to our shareholders.

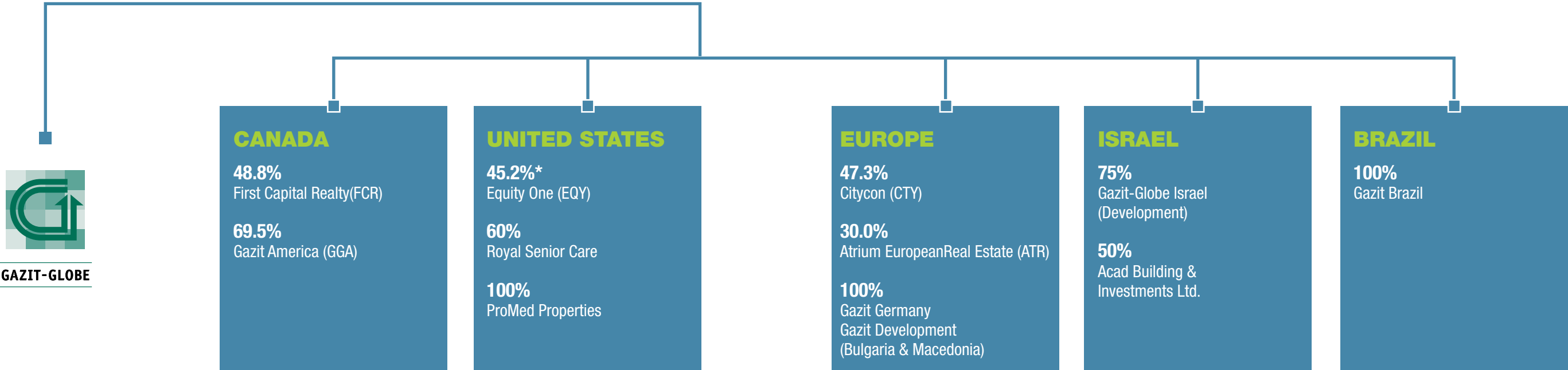
To drive the growth and value of our company, we believe in working only with the finest people in the industry, thereby achieving excellence in execution and a prudent level of leverage of our financial and intellectual property.



GLOBAL PRESENCE

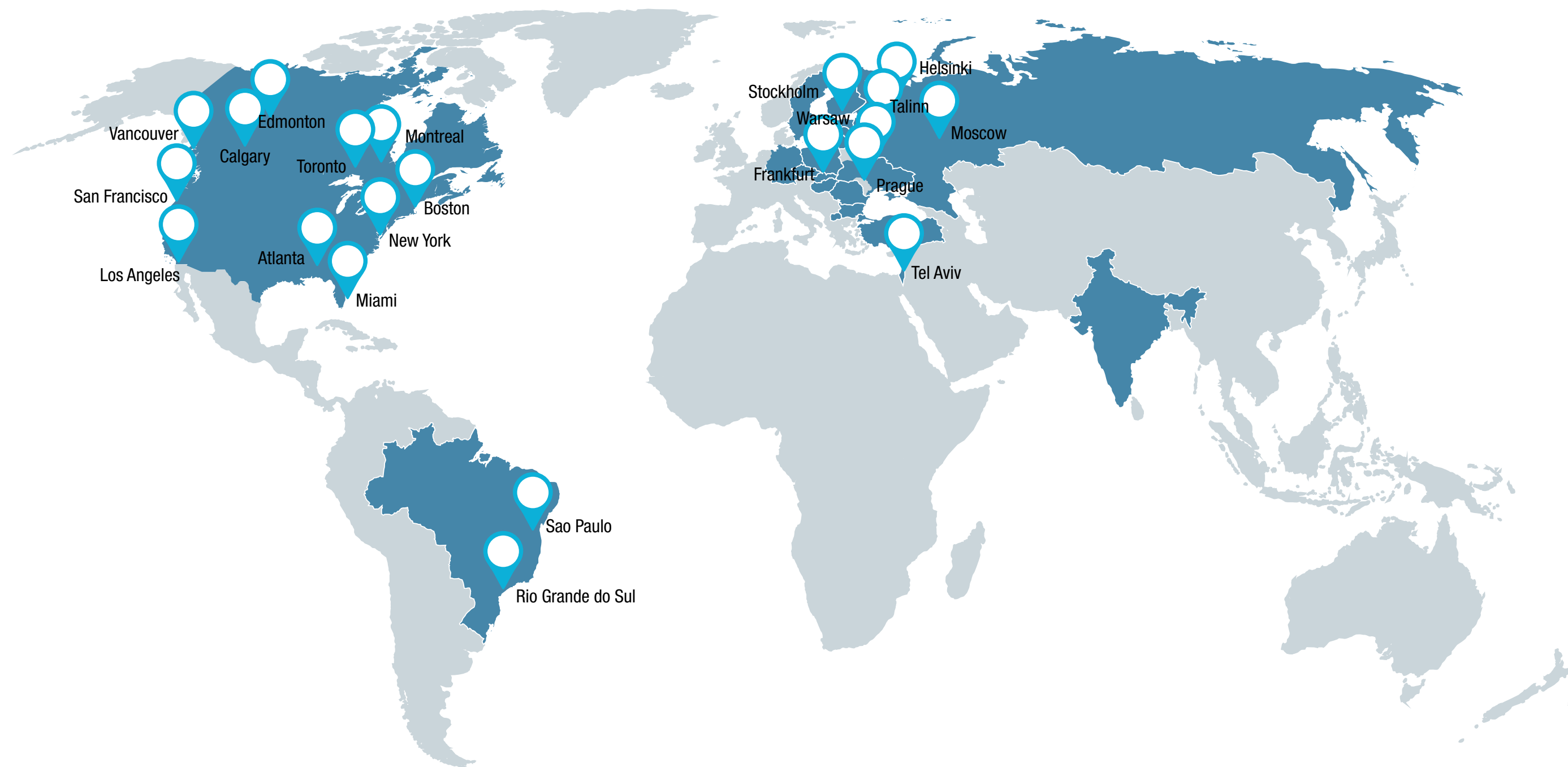


Organization Chart As of December 31, 2010



* Directly & Indirectly

A Global Real Estate Platform



Subsidiaries



UNITED STATES

We operate in the US primarily through our subsidiary Equity One (“EQY”), a fully integrated real estate investment trust listed on the New York Stock Exchange (NYSE: EQY). EQY engages in the acquisition, management, development and redevelopment of quality retail properties in strategic metropolitan areas across the US. These properties are anchored by necessity-driven businesses, including leading supermarkets, pharmacies and retail store chains. As of December 31, 2010, EQY owned 186 income-producing properties with a total GLA of approximately 1.9 million square meters.

Gazit-Globe also operates in the US through ProMed Properties, a privately-owned subsidiary. ProMed is engaged in the acquisition and management of medical and research office buildings in growing

metropolitan areas of the US, most of which are located in close proximity to hospitals and university campuses. As of December 31, 2010, ProMed owned and operated 12 medical office buildings with a total GLA of approximately 98,000 square meters.

We also maintain operations in the US through Royal Senior Care (“RSC”), a privately-held company active in the senior housing facilities sector in country’s southeastern region. As of December 31, 2010, RSC owned and operated 15 properties with 1,650 residential units.

CANADA

In Canada, we operate primarily through our subsidiary First Capital Realty (“FCR”), Canada’s leading owner, developer and operator of supermarket and drugstore-anchored neighborhood and community

shopping centers in growing metropolitan areas. As of December 31, 2010, FCR owned and operated 175 income-producing properties with a total GLA of approximately two million square meters. Its shares are listed on the Toronto Stock Exchange (TSX: FCR).

Gazit-Globe is also the majority holder of Gazit-America, a company that holds approximately 14% of Equity One (as of December 31, 2010). Gazit-America is also active in the medical office building sector in Canada, and owned, as of December 31, 2010, three medical office buildings with a total GLA of approximately 15,000 square meters. Its shares are listed on the Toronto Stock Exchange (TSX: GAA).

EUROPE

In Northern Europe, Gazit-Globe operates through its subsidiary Citycon, an owner, developer and operator of supermarket-anchored shopping centers and commercial properties. Listed on the Helsinki Stock Exchange (NASDAQ OMX: CTY1S), Citycon is the market leader in Finland, has established a strong position in Sweden and a firm foothold in the Baltic countries. As of December 31, 2010, Citycon owned 80 shopping centers and retail properties, with a total GLA of approximately 0.9 million square meters.

In Central and Eastern Europe, our Company operates through our subsidiary, Atrium European Real Estate (“Atrium”), an owner, operator and developer of shopping centers. The shares of Atrium are listed on the Euronext Amsterdam exchange (Euronext: ATRS) and the Vienna

Stock Exchange (VSX: ATRS). As of December 31, 2010, Atrium owned 153 income-producing properties with a total GLA of approximately 1.1 million square meters.

In Germany, our Company’s fully-owned subsidiary, Gazit Germany, is active in the shopping center business, owning and operating six income-producing properties with a total GLA approximately 95,000 square meters as of December 31, 2010.

ISRAEL

Gazit-Globe’s headquarters are located in Israel.

In addition, we are active in the acquisition, development and management of shopping centers in Israel through Gazit Globe Israel (Development) Ltd. (“Gazit Israel”), which is 75% owned by our Company. As of December 31, 2010, Gazit Israel

owned 11 properties with a total GLA of approximately 127,000 square meters.

BRAZIL

Gazit Brazil, a fully-owned subsidiary of Gazit-Globe, is active in the acquisition, development and management of shopping centers in Brazil. As of December 31, 2010, Gazit Brazil owned and operated four shopping centers with a total GLA of approximately 36,000 square meters.

BINDING VALUES



Our core values
influence our global
activities, inspire
our performance
and impact our
daily decisions.

Professionalism Transparency Reliability

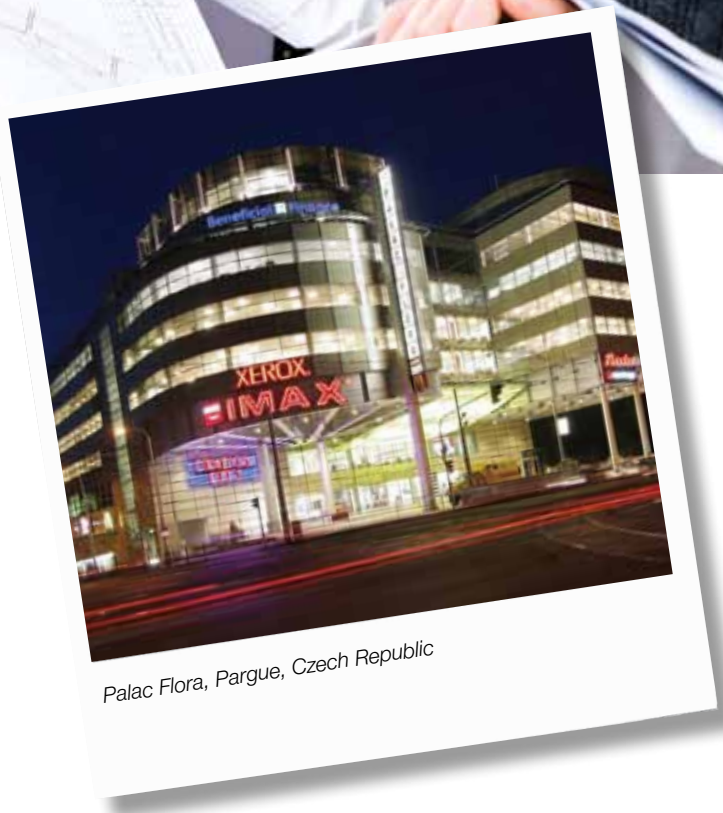
**Financial
Growth**

**Business
Discipline**

**Social
Responsibility**



We believe that conducting our business ethically is a fundamental value, and we work diligently to instill this value in all of our employees.



Palac Flora, Prague, Czech Republic



CODE OF BUSINESS CONDUCT

The attitudes, values and behavior of our managers and employees impact not only our tenants, suppliers and the consumers who shop in our shopping centers, but also their fellow employees. We believe that conducting our business ethically is a fundamental value, and we work diligently to instill this value in all of our employees.

As a guide for our actions, for a number of years we have been using and continuously refining a corporate Code of Business Conduct. It outlines the Company's duties and attitudes towards our stakeholders, including our employees, suppliers, clients, and shareholders, and includes moral principles, such as avoiding conflicts of interests, conducting business

fairly and creating a decent work environment. This document serves as a usable, authoritative reference for our employees looking for guidance regarding decisions made in the course of everyday business behavior, especially in the case of ethical dilemmas.

Two members of our management team act as ethics supervisors and are available to employees for guidance, or for reporting cases of behavior which may conflict with the principles dictated by the Code.

We also hold annual training sessions for employees and management in the areas of ethics and proper business behavior. We also have an external compliance officer available to answer any questions about the Code and/or matters requiring clarification, including situations pertaining to violations of the Code and/or laws and regulations with which the Company is required to comply. Employees can contact the compliance office anonymously.

We encourage all of our subsidiaries to draft their own ethical codes of conduct. For subsidiaries with their own codes, including Citycon, Equity One and First Capital Reality, our Code acts as a complement to theirs.

Global Compact

In 2010, we adopted the principles of the United Nation's Global Compact initiative and incorporated them as part of our business practices. The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. The following is a summary of the Global Compact principles and how we align our business practices with them:

Subject	Global Compact Principle		Gazit-Globe Position
Human Rights	1	GC #1 & #2: Businesses should support and respect the protection of internationally proclaimed human rights and ensure that a business is not complicit in human rights abuses	Protecting human rights is one of our core values. Our commitment to support and protect human rights is an inherent part of our multinational business practices and extends to promoting equal opportunity for all, providing fair wages and employment terms, offering training programs and enrichment and fostering an open dialogue with all of our employees.
	2		
Labor	3	GC #3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	We highly respect the freedom of association of our employees and their right to join a labor union as mandated by the law and regulations. Currently, there are no labor unions at Gazit-Globe.
	4	GC #4: Businesses should eliminate all forms of forced and compulsory labor	Within our sphere of influence, we are against any and all forms of child labor and compulsory labor, encourage decent employment opportunities and support employees rights at work.
	5	GC #5: Businesses should uphold the effective abolition of child labor	We are strongly committed to the effective abolition of child labor. Our company doesn't employ underage minors and we follow all rules and regulations regarding this issue in the countries in which we operate.
	6	GC #6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Our policy is to conduct our business, recruit employees, engage subcontractors, train, promote, transfer, make redundant, recall or terminate employees, without regard to race, religion, gender, ethnic origin, sexual orientation, age, disability or any other classification protected by applicable law.

Subject	Global Compact Principle		Gazit-Globe Position
Environment	7	GC #7, #8, #9: Businesses should: a) support a precautionary approach to environmental challenges; b) undertake initiatives to promote greater environmental responsibility; c) encourage the development and diffusion of environmentally friendly technologies	We are committed to setting new models for guidance and leadership in environmental performance. Most of our subsidiaries observe green construction principles, strive to conform to green-building standards, such as LEED, and are committed to going to great lengths to manage their business in an environmentally friendly manner.
	8		
	9		
Anti Corruption	10	GC #10: Businesses should work against corruption in all its forms, including extortion and bribery.	Our Code of Business Conduct states that the Company and its employees must maintain high ethical and professional standards in dealing with government officials and the private sector representatives. Gazit-Globe property or services must not be given, either directly or indirectly, to anyone in an improper effort to obtain or retain business for Gazit-Globe or to obtain special or unusual treatment in connection with any business transaction."

See <http://www.unglobalcompact.org/participant/12469-Gazit-Globe-Ltd> for more information about our commitment to the Global Compact. In addition, examples of practical actions that we have taken to conform to Global Compact principles as well as our measurement of outcomes related to them, can be found in this report marked by the symbols above.

Maala

Our values are also expressed and refined through our association with Maala, a non-profit organization whose membership includes over a hundred of Israel's most prominent companies. It is a leading professional resource that assists Israeli companies in developing and implementing Corporate Responsibility strategies and that helps them integrate social, environmental and ethical values into their business strategies. Gazit-Globe is a proud member of Maala and an active supporter of its activities.

As part of its program, Maala ranks its member corporations according to their performance using a variety of Corporate Responsibility criteria, concerning business ethics, human rights policies, work environment, community involvement, environmental commitment and corporate governance. In 2009 and 2010, Gazit-Globe was awarded Maala's Platinum ranking, its highest ranking for corporate responsibility.

In addition to recognition by Maala, we are gratified that our Corporate Responsibility activities have earned us additional recognition, as follows:

- In 2010 the European Public Real Estate Association (EPRA), a common interest group that publishes 'best practices' in accounting, financial reporting and corporate governance for 80 European-listed real estate companies, cited Citycon's Corporate Responsibility Report as one of the best in the real estate sector.
- Beyond Business, an Israeli consulting firm that specializes in social-environmental responsibility and sustainability, ranked Gazit-Globe as one of Israel's top-10 companies in 2011, after the reporting period of this Report, affording it its highest marks for transparency.



FTSE4Good Index

Gazit-Globe is a constituent company in the FTSE4Good Index Series, a global responsible investment index created by the FTSE Group, the global index company, and designed to identify companies that meet globally recognized corporate responsibility standards. Companies in the FTSE4Good Index are working towards environmental sustainability, developing positive relationships with stakeholders and upholding and supporting universal human rights. Gazit-Globe is a constituent member of the FTSE4Good Index for the second consecutive year.

Green Building

We strive to build and maintain our properties in an environmentally friendly manner. Several of our subsidiaries conform their building activities to LEED® (Leadership in Energy and Design), the internationally recognized green building certification system. LEED® provides third-party verification that a building has been designed and built using strategies intended to improve performance in metrics such as energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts. A LEED® certification demonstrates that a construction project is eco-friendly.



CORPORATE GOVERNANCE

Board of Directors

We are committed to sound principles of corporate governance. Our Board of Directors ("Board"), which is the supreme governing body of the Company, is responsible for overseeing and monitoring the performance of our senior management team, the body which is charged with the day-to-day conduct of our business. The fundamental responsibility of the Board is to exercise business judgment on matters of strategic and critical significance to the Company in furtherance of the best interests of the Company and its shareholders. The Board also ensures that the Company's actions conform with all statutory and regulatory requirements for promoting the interests of the Company and its shareholders.

The Board is committed to assuring that the Company's actions conform to Israel's Companies Law, as well as all demands of authorities and legislation regarding stakeholder conflicts of interest. Our Company's Code of Business Conduct includes procedures to avoid conflict of interest at all levels of the Company. In addition, the Company has adopted internal regulations relating to transactions with interested parties. The purpose of these regulations is to

establish mechanisms and controls for identifying, approving, and reporting agreements between the Company and its controlling shareholders and their positions with the Company. The provisions of these regulations are based, inter alia, on the provisions contained in Israel's Companies Law and Securities Law, and are designed to provide additional oversight for the Company.

The Company also complies with rules and regulations enacted by the NYSE and TASE on which markets the Company's shares are traded. Our Board is comprised of nine members, two of whom were appointed in 2011. The Board includes the Board's Chairman, Chaim Katzman; Deputy Chairman, Arie Mientkavich; Executive Vice Chairman, Dori Segal; three independent directors and two external directors. The Chairman is not an executive officer of the Company.

Biographical information regarding each Board member is provided on the following pages. Two of the board members are considered to be external according to the Israeli Securities Law (a male and a female), and three are considered to be independent of the Company

according to the Israeli Securities Law (all of whom are males).

Board members may serve for up to three years, after which they are eligible for re-election (excluding external directors whose terms of are determined according to Israel's Companies Law). The criteria which qualify candidates for the Board include, among other things, business knowledge; expertise; integrity; experience related to the Company's core business activities; proven leadership qualities; and proven ability to exercise sound judgment.

Following a screening process by the Board and relevant professionals, biographical information regarding the nominees is provided to shareholders, and an approval process is followed.

Our general policy is that all major decisions must be considered by the Board as a whole. During 2009 the Board conducted 21 meetings and in 2010 the Board assembled 24 times. The Board currently has five standing committees: Audit, Investment, Nominating and Corporate Governance, Compensation and Corporate Responsibility. The three latter committees were established by



Iso Omena, Espoo, Finland

the Board at the end of 2011.

The Corporate Responsibility Committee is responsible for supervising Corporate Responsibility activities of the Company, including the establishment and implementation of our Corporate Responsibility policies. Its mandate includes ethical matters, fair employment issues, our relationship with our suppliers, social investment in the communities in which we operate, environmental matters and other important

Corporate Responsibility issues that may affect our performance, business activities and reputation. Prior to the establishment of the Corporate Responsibility Committee, the Board assessed Corporate Responsibility performance of the Company at least once a year.

In addition to approving strategic CR policies and activities of the CR Committee, the Board takes an active interest in CR matters, including social investment, and is regularly updated

about executive management decisions related to CR.

Shareholders, employees and other interested parties are invited to contact Board members directly. Written communications to Board members may be forwarded to Gazit-Globe's headquarters.

Members of the Board



Chaim Katzman, Chairman

Mr. Chaim Katzman is the founder, controlling shareholder and Chairman of Gazit-Globe. Mr. Katzman is also the founder, controlling shareholder and Chairman of Norstar Holdings (formerly Gazit Inc.), the parent company of Gazit-Globe, the Chairman of Equity One, which he founded in 1992, and Chairman First Capital Realty since 2000. In 2008, Mr. Katzman was appointed as Chairman of Atrium European Real Estate, and in 2010, as Chairman of Citycon. Mr. Katzman is a member of the International Council of Shopping Centers (ICSC), the National Association of Real Estate Investment Trusts (NAREIT), the Urban Land Institute (ULI), the Real Estate Roundtable and the Association of Foreign Investors in Real Estate (AFIRE). He received an LL.B. from Tel Aviv University Law School. Mr. Katzman is a well-known civic leader, philanthropist and supporter of numerous organizations in the US and Israel. He recently established the Gazit-Globe Real Estate Institute at Israel's Interdisciplinary Center (IDC) Herzliya, Israel, for the research and study of the field of real estate development and management.



Arie Mientkavich, Deputy Chairman

Mr. Mientkavich is Deputy Chairman of the Board of Directors of the Company and of Chairman of the Board of Gazit-Globe Israel (Development) and of Dori Group. He is also Deputy Chairman of the Board of Directors of IDB Holdings Corporation, as well as Chairman of the Board of Elron Electronic Industries and RDC - Rafael Development Corporation. He is also a member of the Board of Given Imaging and NuLens. In addition, Mr. Mientkavich is on the License Committee and a member of the Advisory Committee of the Bank of Israel, and a member of the Advisory Board of the National Defense College of Israel. Previously, Mr. Mientkavich was Chairman of the Israel Discount Bank and the Israel Securities Authority, member of the Israel CPA Advisory Council and a member of the Advisory Board of the Bank of Israel. He was also General Counsel to the Israel Ministry of Finance. In the public sector, Mr. Mientkavich is Chairman of the Academy of Quality of Government Movement in Israel, and the Public Committee of Yad Sarah, an NGO in the field of humanitarian support of public health. Mr. Mientkavich holds degrees in Law and Political Science from the Hebrew University in Jerusalem and was admitted to the Israeli Bar in 1972.



Dori Segal, Executive Vice Chairman

Mr. Segal is Executive Vice-Chairman of Gazit-Globe, Vice Chairman, President and CEO of First Capital Realty; Deputy Chairman and Director of Equity One; Director of Citycon Oyj, Chairman of Gazit America and a director on the board of Norstar. Mr. Segal joined Gazit-Globe in 1993 both as a principal investor and a senior member of the management team. Since 1997, Mr. Segal has been active in the acquisition, development and redevelopment of shopping centers in Canada. He was primarily responsible for the purchase of Gazit-Globe's initial portfolio in Canada and then played a key role in the acquisition of First Capital Realty Inc. (formerly known as Centrefund Realty Corporation) in August 2000.



Chaim Ben Dor, Director

Mr. Ben Dor is a corporate consultant in the field of finance and investments. Mr. Ben Dor holds a degree in Accounting from the College of Management in Jerusalem and an auditors' certificate from the Ministry of Justice.



Noga Knaz, External Director

Ms. Knaz is the CEO of Rosario Capital Ltd. She formerly served as CEO of Dash Underwriting Ltd. and Chief Investment Officer in Dash Securities and Investments Ltd. Previously, Ms. Knaz also held positions with Migdal Capital Markets, including Co-CEO of Madanes Financial Services Ltd. Ms. Knaz holds a B.A. in Economics and Business Administration from Haifa University.



Yair Orgler, External Director

Dr. Orgler was Chairman of the Board of the Tel Aviv Stock Exchange until 2006, and a Director of Bank Hapoalim until 2010. He is Professor Emeritus of the Faculty of Management at Tel Aviv University. Dr. Orgler holds a B.S. in Industrial Engineering and Management from the Technion; an M.S. in Industrial Engineering from the University of Southern California; and a Ph.D. in Management- specializing in Finance - from the Carnegie-Mellon University, Pittsburgh, Pennsylvania.



Shay Pilpel, Director

Dr. Pilpel is the CEO of Wexford Capital Israel Ltd. Mr. Pilpel holds a B.S. in Mathematics and a B.A. in Philosophy from Tel-Aviv University, an M.Sc. in Mathematics from the Hebrew University in Jerusalem, and an MBA from Columbia University, New York City. Dr. Pilpel also holds a Ph.D. in Statistics from the University of California, Berkeley.



Gery Epstein, Director*

Mr. Epstein chairs the Global Corporate and Securities Department, and is a member of the Executive Committee and a Principal Shareholder at Greenberg Traurig, LLP, an international law firm. Mr. Epstein has been with Greenberg Traurig since 1980. Mr. Epstein received a B.A. and B.H.L. in English and Jewish Studies at Yeshiva University, an M.A. in English Literature from New York University and a J.D. from Harvard Law School.



Douglas Sesler, Director*

Mr. Sesler is a private real estate investor. From January 2009 through February 2011, Mr. Sesler served as head of Global Real Estate Principal Investments of Bank of America, Merrill Lynch. From 2005 until December 2008, Mr. Sesler served as Managing Partner and later as Co-head of Real Estate Investment Banking at Merrill Lynch. Mr. Sesler received a B.A. in Government from Cornell University.

**Appointed following the reporting period.*

Executive Management

Our executive management is responsible for the ongoing management of the Company according to the Company's vision and goals, and for executing the strategic plans and policies established by our Board of Directors.

Our executives cooperate with the management of our privately-held subsidiaries and support them in their activities. The management of Gazit-Globe's publicly-held subsidiaries is carried out by their independent management teams. Gazit-Globe is involved in the activities of these public companies through representation on their respective boards. In general, our management team strives to maximize knowledge share, capabilities and synergies between all the members of the Gazit-Globe Group.

The members of our Executive Management include the following individuals:



Roni Soffer, President

Mr. Soffer serves as President of Gazit-Globe. Since joining our Company in 1997, Mr. Soffer has held several senior executive roles and leadership positions. During his tenure at Gazit-Globe, Mr. Soffer has attained extensive expertise in both the retail and healthcare real estate sectors in public as well as private markets and has been involved in the Group's worldwide M&A activity and the growth of its global platforms. From 2001 to 2009, Mr. Soffer was based at the Group's offices in the US. More recently, Mr. Soffer led Gazit-Globe's IPO in the US and the listing of its shares on the New York Stock Exchange (NYSE: GZT). Mr. Soffer also serves as CEO of Gazit Group USA, a private subsidiary of the company; Vice Chairman of Gazit America (TSX: GAA); a Director of Atrium European Real Estate (VSX/Euronext: ATR); and Executive Chairman of ProMed Properties and Gazit Senior Care, Gazit-Globe's private subsidiaries. Mr. Soffer holds a B.A. in Economics and an LL.B from the College of Management, Academic Studies, in Israel.



Eran Ballan, Senior Executive Vice President, General Counsel and Company Secretary

Mr. Ballan serves as Senior Executive Vice President, General Counsel and Company Secretary. Mr. Ballan joined Gazit-Globe in 2007. Prior to joining Gazit-Globe, Mr. Ballan was a Partner at Naschitz, Brandes & Co. in Tel Aviv, one of the largest law firms in Israel. Previously, Mr. Ballan was an Associate at Paul, Weiss, Rifkind, Wharton & Garrison LLP, in New York. Mr. Ballan holds a LL.M. degree from New York University and a LL.B. from Essex University in the U.K.



Gadi Cunia, Senior Executive Vice President and Chief Financial Officer

Mr. Cunia has served as our CFO since April 2010 and as Senior Executive Vice President since March 2011. Prior to joining Gazit-Globe, Mr. Cunia resided in Lausanne, Switzerland where he was the CFO of "Eden Springs" Group. Mr. Cunia has more than 14 years of experience in managerial positions in the fields of finance, mergers and acquisitions, controlling, accounting, treasury and auditing. Mr. Cunia holds a degree in Business Management from the College of Management in Tel Aviv. Mr. Cunia is also a Certified Public Accountant.



Rami Vaisenberger, Vice President and Controller

Mr. Vaisenberger joined Gazit-Globe in July 2004 as Controller, and was appointed Vice President in 2011. From 2000 through 2004, Mr. Vaisenberger served as an auditor at Ernst & Young. He holds a Bachelor's Degree in Business Management from the College of Management in Tel-Aviv and is a certified public accountant.



Varda Zuntz, VP of Corporate Responsibility and Member of the Executive Committee

Mrs. Zuntz has served as VP of Corporate Responsibility since March 2012. Most recently, Mrs. Zuntz served as our Company Secretary, a position she held since December 1998. Mrs. Zuntz is also a director of several Gazit-Globe subsidiaries. Previously, she was Personal Assistant to Mr. Chaim Katzman.

Compensation of Senior Employees



In 2010, our Board outlined the general principles of a compensation policy for senior employees based, among other factors, on their reaching certain targets, such as reducing our rate of leverage, achieving a higher return than those of major share indices in Israel and abroad and meeting profitability targets. The objective of the policy is to create a direct link between the performance of the Company and the employee and the compensation to which he/she is entitled, thereby raising motivation and increasing employee satisfaction.



Rutherford Marketplace, Canada

With the assistance of external consultants, we are taking steps to identify and finalize those indices and targets that will be incorporated into the compensation plan.

Criteria taken into consideration by the Board when reviewing the fairness and reasonableness of compensation include: the employee's overall compensation package including salary, bonuses and long-term share-based compensation; the Company's long-term policy and goals regarding retention of existing management and recruitment of new managers; the employee's duties; the complexity and scope of the business of the Company, as well as its performance.

The fairness and reasonability of compensation also takes into consideration any change of circumstances since the previous establishment of compensation terms, such as changes in market conditions and scope of employment.

We have adopted a Code of Business Conduct which includes procedures aimed at avoiding conflicts of interest at all levels of our Company's activity. In addition, we have adopted internal regulations relating to "transactions with interested parties". All of our executives, employees, and directors are expected to conduct their activities in a manner that will not cause conflicts of interest. In addition, our executives, employees, and directors must notify

our Internal Control Manager or our Compliance Officer of any material transaction or relationship which could give rise to a conflict of interest. An executive or employee may be required on occasion to disclose all Board of Directors activities by means of a Disclosure Statement regarding conflicts of interest. We also comply with rules established by the New York Stock Exchange and the Tel Aviv Stock Exchange.

STAKEHOLDERS

Introduction

In identifying our stakeholders and parties who are impacted directly or indirectly by our business activities, we used the following parameters:

- groups with whom the Company has day-to-day interaction
- groups with whom the Company holds a mutual dialogue, or wishes to engage in one; and
- our performance, in general, and with respect to Corporate Responsibility, in particular, as it may affect, or be affected by each of the groups

Our 'internal' stakeholders include our shareholders, Board of Directors,

subsidiaries and employees. Our 'external' stakeholders are our customers, including tenants and consumers, as well as regulatory authorities, our suppliers, the media, financial analysts, the community and the environment.

The publication of this Corporate Responsibility Report, which relates to our Corporate Responsibility activities during 2009 and 2010, as well as our previous Corporate Responsibility report for the years 2007-2008, serves as an important mechanism for informing our stakeholders of our Corporate Responsibility activities. Together with other materials that we

publish in print and or online containing information related to our Corporate Responsibility activities, this Report is meant to cultivate a transparent dialogue with our stakeholders. It also includes contact information to enable members of our stakeholder groups to reach out to us regarding issues that are important to them.

The following section further defines our stakeholder groups and the methods by which we interact with them:



STAKEHOLDER

Stakeholder

Shareholders, including Institutional Investors

Shareholders in the Company participate in the management of our organization through their votes at shareholder meetings. Shareholders' rights and duties are detailed in the Company's Articles of Association and in corporate statutes.

According to Company's Article of Association and Israel Companies Law, a shareholder holding 1% or more of the Company's voting rights is entitled to suggest a topic for inclusion on the agenda of our next General Meeting. Any shareholder holding 5% or more of the Company's outstanding equity and 1% or more voting rights, or any shareholder holding 5% or more of the voting rights of the Company, can call for a Special Meeting of Shareholders.

The Company also counts numerous institutional investors among its shareholder base.



Interaction with Stakeholder

We communicate with our shareholders through our Annual Meetings of Shareholders where decisions are taken by our shareholders through a voting process that is mandated by the law. As a corporation registered under the laws of the State of Israel, we comply with the Israel Companies Law, as amended, which states that the following corporate issues must be discussed and approved at a general meeting of shareholders:

- company regulations and jurisdiction of the board
- appointment, termination and work terms of the auditing accountant
- appointment of external directors
- approval of material actions and contracts
- increase of registered capital stock
- merger and acquisition activities

We also communicate with our shareholders through our website, as well as through our annual, quarterly and other periodic financial reports. These reports include, among other things, information about our financial performance, our corporate governance and other company activities.

In addition, we hold quarterly conference calls in both Hebrew and English during which our CEO and CFO review financial and other events of the preceding financial reporting period and allow for questions from participants on the call. A press conference is also held following the publication of our annual financial results every year in March. In addition, we conduct investor days to provide information to institutional investors.

Our contact information (telephone numbers and email addresses) is published on our website, as well as on all of the written materials that we disseminate to our shareholders and to the exchanges in which our securities are traded.

In addition, we are registered on a variety of public directories that provide investors with detailed information about our Company, which we update on a regular basis.

STAKEHOLDER



Stakeholder

Interaction with Stakeholder

Board of Directors

Our Board of Directors dictates Company policy and supervises its performance, business functions and operations. They accomplish this through regularly-scheduled and special meetings of the Board and its committees. (See page 28 above for biographical information on our Board members.) During 2010, the Board held 24 meetings and the Audit Committee conducted 10 meetings. In 2009, the Board met 21 times, the Audit Committee met 11 times and the Investment committee assembled 3 times during the year.

Our Board of Directors governs our Company by establishing broad policies and objectives; selecting, appointing, supporting and reviewing the performance of our executive team; ensuring the availability of adequate financial resources; approving annual budgets; setting the salaries and compensation of Company management; and accounting to our stakeholders for our Company's performance. In addition to ensuring the Company's prosperity by collectively directing the Company's affairs and meeting the appropriate interests of our shareholders and stakeholders, our Board deals with challenges and issues relating to Corporate Responsibility.



Stakeholder

Interaction with our stakeholder

Subsidiaries

Gazit-Globe is a major shareholder in six publicly-held companies and also controls a number of privately-held companies throughout the world. See page 16 for a description of these public-traded and private subsidiaries. Their operational and financial performance influence and determine the performance of our Group.

We help guide the strategic direction of our privately-held subsidiaries through our dialogue with their management teams. We also contribute to the management of our publicly-held subsidiaries through our representation on their Boards of Directors. In addition, we organize an annual management conference attended by all of our subsidiaries which are hosted by a different subsidiary each year. These conferences serve as an ideal opportunity for Company-wide brainstorming and interaction. In addition to these annual gatherings, the Company holds weekly and monthly conference calls with the management of our subsidiaries to discuss ongoing business issues and activities.

STAKEHOLDER



Stakeholder

Interaction with Stakeholder

Employees

As of December 31, 2010, we have 29 employees working at our headquarters in Tel-Aviv. The satisfaction of our employees with their jobs, employment terms, work conditions and balance between their work and personal lives is very important to us.

Among the activities we engage in to interact with our employees are the following:

- We conduct employee satisfaction surveys to obtain feedback on management performance, employees' overall satisfaction and the Company's volunteer activities. The results of the surveys are distributed to employees and serve as a basis for discussions at meetings attended by employees and management.
- We engage in annual performance reviews of employees which are attended by each employee's manager. We also engage in periodic discussions regarding performance, if required.
- Once a year, the CEO meets with each employee.
- We maintain a Work-Life Balance policy to help employees achieve a balance between their work and their personal lives. When possible, we make an effort to meet the needs of our employees by providing flexible work hours and enabling them to work from home. We also host events for employees and their families, including family vacations and holiday gatherings. In addition, we encourage employees to continue their academic studies by adjusting their employment conditions to allow for study periods and unpaid leave. We maintain an "Open Door" policy thereby encouraging our employees to communicate with our management.
- Once a year, our employees attend training sessions related to ethics and sexual harassment designed to allow for dialogue between management and employees.
- We designate an external compliance officer to whom employees can ask questions or report ethics-related incidents.

STAKEHOLDER



Stakeholder

Interaction with Stakeholder

Customers: Tenants and Consumers

Our customers include tenants who rent space in our shopping centers and medical office buildings, and end-user consumers who shop for products and services in our shopping centers or visit our properties.

Tenants

Our interaction with tenants in our centers is carried out on several levels, including, but not limited to negotiating agreements with them; conducting satisfaction surveys of our tenants to obtain feedback from them; and creating tenant focus groups to better understand their needs. In addition, managers of our shopping centers throughout the world maintain contact with their tenants to ensure smooth business dealings with them, and to respond to their queries and concerns. Many of our subsidiary companies retain an employee who is focused on tenant relations. Responsibilities of these ‘tenant relations managers’ include:

- developing relationships with tenants and acting as a one-point source of contact
- facilitating meetings between tenants and our executives to coordinate leasing, property management and asset management issues
- maintaining retailer information
- proactively assisting agents by providing them with leasing information

Leasing representatives also attend trade shows and conferences throughout the year, some of which are held in conjunction with local chambers of commerce, where brokers and tenant representatives are invited to obtain information about space available for lease in our shopping centers. Our subsidiaries’ websites also provide information for potential tenants, including contact information.

Consumers

Many of our commercial centers, in conjunction with their tenants, conduct marketing and outreach activities by publishing and distributing brochures and newspapers targeted to shoppers at their centers, as well as to the surrounding communities. These efforts also serve to promote our tenants’ businesses. We also participate on social media sites.

STAKEHOLDER



Stakeholder

Interaction with Stakeholder

Suppliers

Our suppliers include contractors, appraisers, architects, engineers, supervisors and suppliers of raw materials who provide us with the products and services necessary for our construction, project development and maintenance activities. Their professionalism enables us to continuously improve the quality of our properties in line with the needs and desires of our tenants and end-user customers.

We also work with a numerous professionals, including attorneys, accountants, economists, marketing and advertising professionals, public relations managers, human resources compensation consultants, and research companies. These professionals assist us in their areas of expertise to ensure that we conform to regulatory and other requirements.

We negotiate agreements with potential suppliers in a fair and responsible manner and in accordance with accepted business norms and regulations.

With respect to our Corporate Responsibility activities, our goal is to incorporate Corporate Responsibility criteria into our background checks of major potential suppliers in which we plan to engage in long term relationships by requesting that they inform us of their level of activity in the area of Corporate Responsibility by completing a questionnaire that we send them. We have already adopted this approach with our existing suppliers. During 2011, we obtained confirmation from our top ten suppliers that they reviewed our Code of Business Conduct and agree to follow the Code’s guidelines in the conduct of their businesses.

We are concerned that our subcontractors conduct their business activities according to accepted norms and regulations, especially with respect to employment. At our headquarters in Tel-Aviv, we conduct annual checks of our sub-contractors’ pay slips to confirm that they pay salaries and benefits to their employees as required by law. Because we are strongly committed to the abolition of child labor and don’t employ underage minors in any of our businesses, we strongly encourage our suppliers and sub-contractors not to employ underage minors, as well.

STAKEHOLDER



Stakeholder

Interaction with Stakeholder

Regulatory Authorities

We rely upon the approvals of a broad range of governmental and municipal regulatory authorities to conduct our business. These include development authorities and others that are responsible for urban planning and zoning, as well as local building and planning committees that approve architectural, engineering and environmental protection plans. Many of these governmental bodies and authorities also pass laws, regulations and directives which directly affect how we conduct our businesses in their jurisdictions.

We interact with governmental authorities through the applications that we submit to them for approvals, periodic reports that we file with them on our activities, and payments that we make to them in the form of taxes and fees. These authorities include the following:

- **Securities Authorities:** We report financial and other information related to our business activities to the New York Stock Exchange (NYSE) and the Tel Aviv Stock Exchange (TASE), on which Gazit-Globe's shares are listed, as required by these exchanges' rules. In addition, we also maintain an ongoing dialogue with the security authorities of several jurisdictions as required of publicly traded companies. Our publicly traded subsidiaries, including First Capital Realty, Citycon and Equity One, are also listed on various exchanges around the world and similarly comply with the securities authorities in their jurisdictions.
- **Tax authorities:** We submit regular filings to Israeli and other tax authorities, as required by those authorities' laws and regulations.
- **Local authorities:** We cooperate fully with local authorities to obtain building licenses and to conduct our businesses according to municipal building codes and other legislation.
- **Environmental authorities:** We cooperate fully with federal and local environmental agencies in the jurisdictions in which we operate, and maintain continuous contact with environmental personnel to ensure compliance with environmental standards maintained by them.

STAKEHOLDER



Stakeholder

Interaction with Stakeholder

Financial Analysts

Many analysts representing different financial institutions follow the Company's activities and progress. A list of analysts covering our Company and their contact information is available on Gazit-Globe's website.

We communicate with analysts on a regular basis. We conduct an investor day to provide information to financial analysts and institutional investors. In addition, management makes itself generally available to analysts to answer their queries about the Company. The Company also proactively manages its relationship with analysts by offering to meet with them to enable them to better understand the Company's business in order to disseminate educated research on the Company. Occasionally, we also organize property tours for analysts to visit our shopping centers and personally observe our operations as well as meet with the executives of our subsidiaries to gain a thorough understanding of our business.



Stakeholder

Interaction with Stakeholder

Media

The economic press and media organizations throughout the world review our business activities and financial results in their newspapers, magazines, television shows, web sites, news blogs and other media, thereby providing the general public with objective information on our Company.

As part of our ongoing efforts to increase transparency and enable stakeholders to make informed decisions, we issue press releases for broad media distribution that contain information regarding material developments or financial results of the Company. An archive of these press releases can be found on the Company's website. As stated above, we also conduct an annual press conference following the release of our annual financial statements and post information on our website. In addition, our management is regularly requested by traditional and online media, including business newspapers, magazines, websites and television programs, to comment on various issues relating to our company and the commercial real estate industry.

STAKEHOLDER



Stakeholder

Interaction with Stakeholder

Community

We view the hundreds of communities in which our shopping centers are located throughout the world as stakeholders in our business because these centers play a significant role in their communities. They not only serve as shopping destinations, but also as secure places to obtain community services, be entertained and to socialize. As a result, we are mindful of the needs of consumers who reside in the communities in which our shopping centers are located.

Our relationship with the community is also effectuated through our Company's philanthropy and volunteerism by our team members to a broad variety of organizations and our participation in numerous projects with social organizations. The organizations and activities that we support are varied, and include those that educate, aid the poor, distribute food, support under-privileged children and youth, and others.

To better understand the needs of the communities in which we operate, and to ensure that we create a proper mix of goods and services for each shopping center we operate, we often conduct surveys of the surrounding population to assess their shopping habits and to obtain feedback on their particular needs.

With respect to our philanthropic activities, our employees are encouraged to volunteer their time to non-profit organizations and volunteer programs.

Our contributions to the community are determined by an internal charitable activities group that is comprised of members of our management. This group establishes our corporate giving goals and identifies target areas in which we will focus our charitable activities.

For instance, to galvanize the community to support charitable causes, Gazit-Israel's G malls sponsor events for various charities. They also maintain Facebook pages on which they interact with members of the community, provide information regarding events held at their malls and provide members of the community with access to managers of the malls. Such information is also presented in the Company's website. In addition the Company issues magazines and local brochures to potential visitors. Interaction is also made through municipal magazines and Israeli newspapers.



STAKEHOLDER



Stakeholder

Interaction with Stakeholder

Environment

We have made considerable progress in our efforts to incorporate green building practices into our development program. Green construction, or sustainable building, refers to an environmentally responsible and resource-efficient progress throughout a building's life-cycle: from 'siting' to design, construction, operation, maintenance, renovation and demolition. Green buildings are designed to reduce the overall impact of the built environment on human health and the natural environment. They do so by efficiently using energy, water, and other resources, protecting occupant health and improving employee productivity, and reducing waste, pollution and the degrading of the environment.





















In the development and operation of our commercial centers and other business activities, we comply with rules and regulations mandated by Israel's Ministry of Environmental Protection, as well as the environmental ministries of other countries in which we operate. We also interact with non-governmental organizations ("NGO's") that are active in protecting the environment. In addition, we hire consultants to assist us in assessing the environmental impact of our activities and to advise us in the use of green construction methods and the reduction of the environmental impact of our activities. Adopting these methods benefit not only us, but our tenants as well, who are able to reduce their electricity and water costs.



MEMBERSHIP IN ASSOCIATIONS



Gazit-Globe and its subsidiaries maintains memberships in the following industry and other organizations:

	EPRA: European Public Real Estate Association		WBCSD: World Business Council for Sustainable Development		CaGEB: Canadian Real Building Council		NAREIT: National Association of Real Estate Investment Trusts
	RAKLI: The Finnish Association of Building Owners and Construction Clients		WRI: World Resources Institute		CREW: Corporate Real Estate Women		ULI: Urban Land Institute
	ICSC: The International Council of Shopping Centers		United Nations Global Compact		Ontario Infrastructure and Land Corporation		FIGBC: Green Building Council Finland 4.13
	NCSC: The Nordic Council of Shopping Centers		Israel - America Chamber of Commerce				
	GRI: Global Reporting Initiative		Israel - Canada Chamber of Commerce				
	IEA: The International Energy Agency		REALpac: Real Property Association of Canada				
	UNEP: United Nations Environment Program		BOMA: Building Owners and Building Council of Canada				





Our uncompromising pursuit of growth and efficiency creates a ripple effect that benefits our stakeholders as well as our tenants, consumers and society.



Mandarin, Vilnius, Lithuania

Section 2. ECONOMIC PERFORMANCE

INTRODUCTION

As a global real estate company managing and operating income-producing properties around the world, our operations have both a strong direct - and indirect economic impact on the communities in which we operate.

We act as a spur to the creation and growth of businesses, commercial activity and jobs. We promote substantial economic growth by leasing space to tenants who employ tens of thousands of people in their supermarkets, drug stores, clothing

chains, specialty shops, cafes and restaurants, banks and service centers. Our development and redevelopment activities also have an economic impact by creating work opportunities for the construction industry.

Our economic impact also extends to our contributions to various non-profit organizations to support their activities in the community.

Rocca Al Mare, Tallinn, Estonia





DIRECT ECONOMIC VALUE

Our primary objective is to create value through long-term maximization of cash flow and capital appreciation and to increase our dividends over time. We do this through a differentiating focus on recession-resilient, necessity driven asset class, which has demonstrated an ability to generate strong and sustainable cash flow through different economic cycles.



Our rental revenues in 2010 were NIS 4,596 million, compared to NIS 4,084 million in 2009. Our net operating income (NOI) was NIS 3,058 million in 2010, compared to NIS 2,729 million for 2009.

During the years 2000 to 2011 we grew an average of 27% annually in terms of property rental income and NOI, and 16% annually in terms of Gross Leasable Area (GLA). Perhaps one of the best indicators of our economic performance is the consistent growth in our dividend by more than 11% annually from 2000 to 2011 and our total average annual return in excess of 17%. We distributed NIS 204 million in dividends during 2010 and NIS 179 million during 2009.

The business model that we have developed and implemented over the years, whereby we own and operate our properties through our publicly-traded and privately-held subsidiaries, has driven this substantial and consistent growth. We leverage our expertise to grow and improve the operations of our subsidiaries, maximize our profitability, mitigate our risk and create value for shareholders.

With the goal of achieving a leading position in each of our markets, we work to expand our presence in the countries in which we operate while also expanding into new markets. We grow our business both organically as well as through acquisitions and strategic partnerships with leading global institutions.

Our geographic diversity provides us with flexibility in terms of capital allocation and improves our resilience to changes in economic conditions and the cyclicity of markets, enabling us to apply successful ideas and proven market strategies in multiple countries. Our global reach, together with our local management teams, enables us to make accretive acquisitions to expand our asset base, both in the countries in which we currently operate as well as in new ones.

Please refer to our website for all financial disclosures, including our 2010 Annual Report at: <http://gazit-globe.com/financial-reports>

DIRECT ECONOMIC VALUE

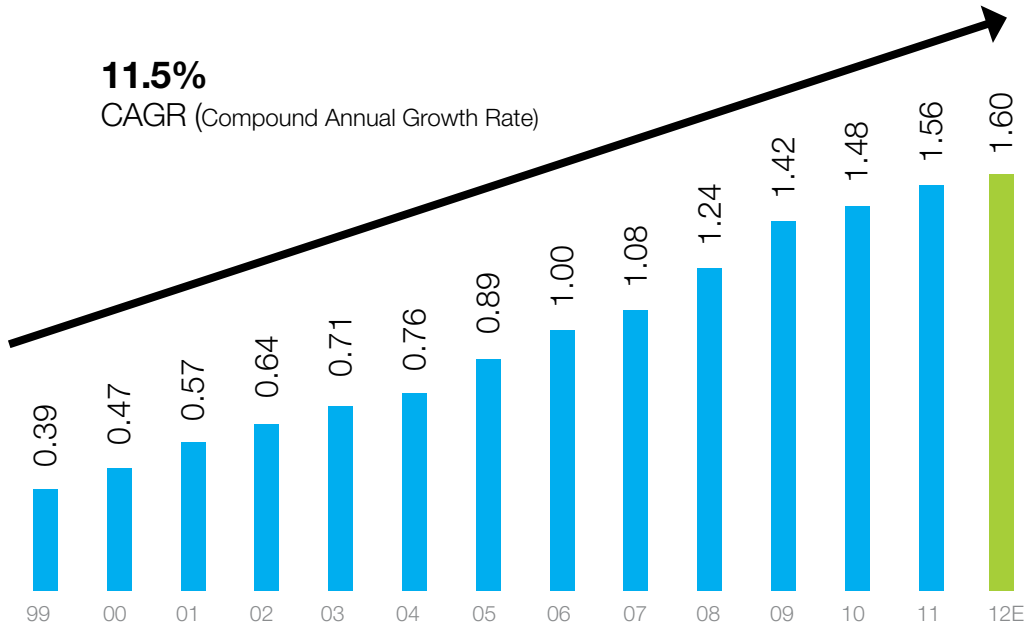
Key Figures
(NIS million)

December 31, 2011	2011	2010	2009
Total Assets	66,732	52,550	51,504
Investment Properties	59,311	47,814	46,631
Interest Bearing Liabilities	39,965	32,509	33,632
Shareholder's Equity Including Minority	19,384	15,169	13,266
Shareholder's Equity	7,136	5,915	5,189
Net Debt to Total Assets	58.0%	60.7%	63.7%

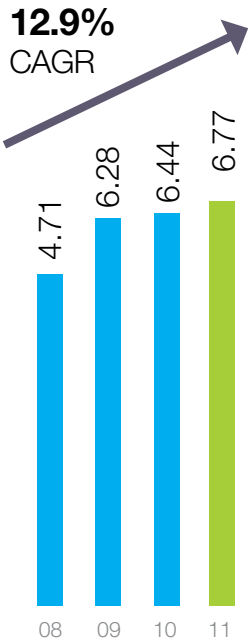


Promenada Shopping Center, Warsaw, Poland

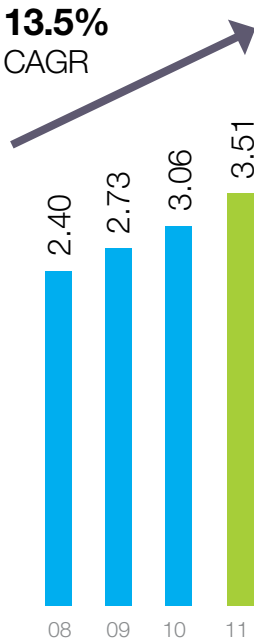
Consistent Dividend Growth for Over a Decade
(NIS per share)



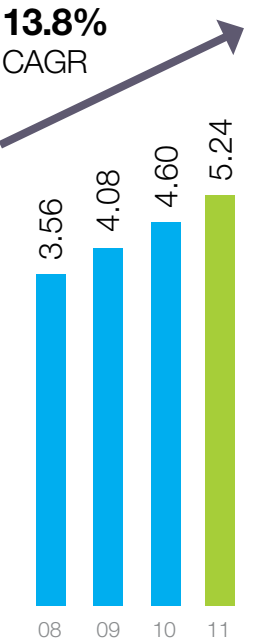
Gross Leasable Area (GLA)
(Millions sqm)



NOI
(NIS billions)



Rental Revenue
(NIS billions)



INDIRECT ECONOMIC INFLUENCE

Our hundreds of income producing properties throughout the world also have a strong indirect economic influence. Our tenants include supermarkets, drug stores, banks, appliance stores, apparel shops, and other shops and service providers. They market and sell goods and services valued at hundreds of millions of dollars a year, employ thousands of people and pay taxes to the local jurisdictions in which our centers are located.

To drive economic growth, we make our commercial centers easily accessible, convenient and a pleasant environment in which to shop. In addition to leasing space to large department stores and supermarket anchors, we also rent space to small and medium-sized businesses that benefit by being located adjacent to larger stores which attract strong traffic. To best serve our consumers, we also focus on creating a consumer-friendly and safe environment, a diverse shopping experience, and easy accessibility for disadvantaged

populations. We also strive to build and operate our shopping centers in an environmentally friendly way, by employing green construction methods and by employing conservation methods in an effort to create additional economic and other benefits for the communities where we operate.

Our senior housing and medical offices also generate economic and other benefits. Several of our medical offices share human resources, knowledge, infrastructure and equipment with

surrounding medical centers and research institutions, thus easing the economic burden on these centers and their communities.

Our indirect economic influence also extends to the taxes we pay in the jurisdictions in which we operate. These taxes help to finance government activity aimed at improving the welfare of citizens in the countries in which we operate.



Galeries Normandie, Quebec, Canada



CHARITABLE INVESTMENT

Above and beyond our business activities, Gazit-Globe believes that it is both a duty and a privilege to contribute to the community. During 2010 we donated NIS 3.83 million (compared to NIS 3.0 million in 2009) to educational and charitable organizations that share our values which include promoting academic excellence, reducing societal inequality and assisting young people. Our corporate philanthropy extends to organizations and initiatives that are involved in health, education, welfare, arts and culture, primarily in Israel and the US. The primary focus of our communal investment is on education with a particular emphasis on achievement, leadership and social responsibility. We believe that education is a fundamental and essential element in bringing about change in society and in reducing societal and economic inequality.

45% of our contributions in 2011 (following the reporting period of this Report) supported education programs and institutes for advanced education. Recently, the Company made a contribution to establish and maintain over a long-term period

the Gazit-Globe Real Estate Institute at Israel's Interdisciplinary Center (IDC) Herzliya. The Institute will house an academic and research program focused on innovation and entrepreneurship in the real estate sector. By establishing and supporting the Institute we hope to strengthen academic excellence and research in real estate sector, promote real estate research in Israel, build academic programs and develop a cadre of professional real estate executives. In addition, the Institute will work to strengthen ties between academia and real estate professionals in the field and will work to deepen the public discourse about real estate. Company management and its professionals will contribute their professional experience to the Institute to add a practical dimension to academic studies.

For over 10 years, we have been a major supporter of "Larger Than Life" ("Gedolim Mehachaim"), a non-profit organization whose goal is to improve the quality of life and wellbeing of children with cancer and their families by escorting sick children and their families from diagnosis to recovery

by creating cheerful experiences and improving their medical treatment quality. In addition to our corporate support, our employees participate in the organization's summer camp program and spend a full day with the children and their families as well as join different holiday activities.

Gazit-Globe encourages its employees to contribute their time and effort to advancing the work of worthwhile causes and charities.

In 2011, following the Reporting period of this Report, our Board decided to increase its communal investment significantly and to focus its efforts on strengthening education in Israel's south, with an emphasis on mentoring, supporting and nurturing students and youth.

During 2011, we also appointed a manager of Corporate Responsibility activities who is responsible for day-to-day activities supported by other Company employees.



Lijeholmstorget Galleria, Stockholm, Sweden

FINANCIAL IMPLICATIONS & RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE



First Capital Realty:

First Capital Realty participated in the Carbon Disclosure Project (CDP) in 2011, following the reporting period of this Report. As part of the report to the CDP, First Capital Realty identified several climate change risks and opportunities. Among them were: the possible rise of the mean temperature in Canada. This scenario would result in lower heating expenditures and operating costs for First Capital Realty. Furthermore, it could result in consumers having more discretionary income and spending it on products and services sold by First Capital Realty's tenants. In addition, taxes and regulatory reporting on carbon emissions in Canada could expand beyond current jurisdictions and sectors. Fuel prices could also rise. These changes could increase the market value of First Capital Realty mixed-used properties and properties heated and cooled by geothermal technology. Furthermore, these changes could decrease consumers' discretionary income. This scenario could lower demand for products and services from certain tenants. Conversely, because many transactions (e.g., food, banking, pharmaceuticals) at First Capital Realty's shopping centers are non-discretionary, First Capital Realty's tenants and business would be less impacted than other types of retailers and asset classes of real estate. Finally, taxes, regulatory reporting and fuel prices could increase First Capital Realty's operational costs.

Citycon:

Citycon employs a holistic enterprise risk management (ERM) program to assess risks associated with climate change and which have the potential to affect Citycon's business over the long term. They include:

- **Extreme Weather:** Global warming, which will increase the frequency of extreme weather conditions such as intense storms floods and snowfalls, will increase Citycon's maintenance costs.
- **Energy:** Increasing costs for energy will become a driving force towards using renewable alternatives. To date, renewable energy sources have not been actively deployed in the shopping center sector. This could be attributed to investment expense, long repayment periods and relatively new technological solutions for which experience-based feedback is unavailable. However, enhanced energy efficiency could increase Citycon's competitiveness and improve its properties' market position.
- **Water:** Water scarcity in some areas of the EU may increase the price of water. Citycon's use of improved measurement and reporting of water consumption could lead to reduced consumption. Opportunities to recycle grey water at specific properties could be investigated to achieve cost savings. **GC8**
- **Waste Management:** Waste management, waste taxes and landfill fees will increase substantially in the short term. Higher costs will encourage sorting and a reduction in waste amounts.



Our success is based upon the unique talents, commitment and professionalism of our team. That is why we are dedicated to providing our people with the right environment and tools for success.



Olde Oakville Market Place, Oakville, Ontario, Canada

Section 3. LABOR PRACTICES & HUMAN RIGHTS



INTRODUCTION

We recognize that our employees and management are our most important asset. That is why we and our subsidiaries are dedicated to recruiting the best individuals to operate our businesses and to providing these individuals with competitive pay and benefits, strong training, educational opportunities and opportunities for career advancement. We also regard the health and safety of our employees, tenants and customers with the utmost importance and take measures to ensure conformity with industry standards.

One of the basic fundamentals of our Code of Business Conduct is to deal fairly with our employees. We conduct our business without discrimination based on race, origin, religion, sex, sexual preferences, age or disability. Our recruitment, employment, training, promotion, transfer and termination of employees are based solely on the employee and his/her ability, achievements, experience, conduct and other reasonable business considerations. **GC6**

Human rights is one of the core values at Gazit-Globe and the commitment to support and protect human right is an inherent part of Gazit-Globe's multinational business. We and our subsidiaries respect and support the principles of the United Nations Universal Declaration of Human Rights, which, in addition to equality, include civil and political rights, economic, social and cultural rights. We highly respect the freedom of association of our employees and their right to join labor unions as mandated by law. We strongly oppose child labor and the employment of underage minors, as well as forced or compulsory labor.

GC1 GC2 GC3 GC4 GC5

Our recruitment, employment, training, promotion, transfer and termination of employees are based solely on the employee and his/her ability, achievements, experience, conduct and other reasonable business considerations.

LABOR PRACTICES

The following table illustrates the number of employees working at Gazit-Globe corporate headquarters, as well as at several of its major subsidiaries and holdings included in the scope of this report, as of December 31, 2010:

Company	Geographic Region	Employess	%Full-Time employees	% Permanent contract
Gazit-Globe Headquarters	Israel	29	100%	100%
Gazit Israel	Israel	93	99%	100%
FCR	Canada	308	97%	98%
EQY	USA	172	98%	98%
CTY	Europe	129	100%	95%

HR Programs

The primary focus of our HR programs is to influence employee commitment, motivation and engagement through best practices, rewards, performance management and communication. We strive to create a rewarding, stimulating and fun place to work where individuals are treated with respect and dignity. While we have a broad base of best practices, the following are several benefits that we provide to our employees:



Recruitment

Our recruitment procedures are designed to ensure that we hire highly qualified personnel with a strong skill base. The following table illustrates the total number and rate of employee turnover by age, group, gender, and region:

(Data For 2010)

Company	Geographic Region	Total No. of New Hires	Under 30	30-50	Over 50	Women	Men
Gazit-Globe	Israel	7	4	3	0	6	1
Gazit Israel	Israel	22	10	10	2	16	6
First Capital Realty	Canada	71	13	49	9	49	22
Equity One	USA	45	16	24	5	33	12
Citycon	Europe	29	7	20	2	17	12

Company	Geographic Region	Total No. of Employees Who Terminated Employment	Under 30	30-50	Over 50	Women	Men
Gazit-Globe	Israel	4	2	2	0	3	1
Gazit Israel	Israel	17	8	7	2	13	4
First Capital Realty	Canada	60	10	41	9	39	21
Equity One	USA	34	4	23	7	22	12
Citycon	Europe	13	2	7	4	5	8



Job Training and Career Development

Our job training strategy focuses on enhancing skills, motivation and ethical behavior and we also work to encourage and develop employee skill levels and positive attitudes to maximize our operations. We also strive to increase the skill base of our employees by supporting long-term self-development, for instance, through further or advanced studies.

To retain our valued employees and advance their careers, we offer career development opportunities, where possible. Due to the size and geographic scope of our operations, where appropriate we encourage our employees to move from one position to another within our organization in order to advance their careers.

During 2009-2010, management spent an average of seven hours annually engaged in training programs and professional employees spent an average of three hours of training. Administrative staff spent approximately an hour of training during 2010. This information relates to staff at Gazit-Globe's headquarters.

Citycon:

Citycon Days, held twice a year, are an important tradition in their corporate calendar. A company-wide development event is held in the spring for all employees, and additional local events are held in the autumn in each country in which Citycon operates. At these meetings information and experiences are shared and presentations are given by experts on topical issues. In addition, Citycon tailors training programs for specific personnel groups. For instance, in 2010, its shopping center personnel attended specially tailored safety, security and crisis management training sessions. Training is also offered to maintain language skills or to increase competence in using certain applications. In 2010, Citycon employees completed 437 full-day training sessions, or 3.6 days per employee.

First Capital Realty:

Employees at First Capital Realty are encouraged to advance in their careers and to take professional development courses and seminars. First Capital Realty also provides internal training when they change programs and processes (e.g., new computer software, employee benefit programs). Because FCR has grown, many employees have enjoyed opportunities to expand their skills and expertise. First Capital Realty offers a generous employee training and assistance program to its full-time permanent employees. They are eligible to receive up to a maximum of \$1,500 annually towards tuition reimbursement providing the area of study is relevant to his/her current role or will develop new skills of mutual benefit to First Capital Realty and the individual. Costs eligible for reimbursement include tuition for in-class, on-line/distance learning courses, exams and books. In 2010, the average number of training hours of First Capital Realty's senior and middle management was 21 hours and 7 hours, respectively, and for professional and technical personnel was 9 hours and 3 hours, respectively.

Performance Reviews

Our managers are required to conduct annual performance appraisals of their employees to ensure that expectations are understood, and performance acknowledged and rewarded. Appraisals are a key element in our strategy to analyze employee skill levels and performance on a regular basis and to encourage bilateral constructive communication and both formal and informal feedback. They include providing the employee with feedback for the previous period, establishing targets for the coming period and tailoring a personal short- and long term development plan. At Gazit-Globe, the CEO personally meets with all employees on an annual basis.

Citycon:

At Citycon, employee performance review is an essential tool for managing target-oriented activity and employee skills. In 2010, 92.6% of employees were reviewed by their superiors at least once, while 48.4% were reviewed twice.

Transitioning to Retirement

First Capital Realty:

Performance reviews are given to senior managers and employees at FCR in order to measure employee activity and provide feedback designed to encourage optimal work behavior. During 2010, 100% of First Capital Realty's senior management, 91% of its middle management, 97% of its professional technical personnel, 88% of its administrative personnel and 83% of its employees in building support received performance reviews.

First Capital Realty:

First Capital Realty provides transition assistance for retiring and terminated employees. Its HR department and service provider offer assistance to employees with pre-retirement planning. The service provider supplies investment information, regulatory expertise, and guidance to employees. When a decision is made to terminate an employee, the Company uses a third party provider to support the employee in this transition. Services include skills assessment and employment counseling. Individual contracts and human resource expertise define the basis of the severance pay.

Diversity and Equal Opportunity

Our recruitment, employment, training, promotion, transfer and termination of employees are based solely on the employee and his/her ability, achievements, experience, conduct and other reasonable business considerations. We conduct our business without discrimination based on race, origin, religion, sex, sexual preferences, age or disability. **GC6**

While we and our subsidiaries do everything possible to prevent cases of discrimination in the workplace we understand that there is a need to establish suitable mechanisms for handling them, if and when they occur. **GC6**

The following graph illustrates the composition of our governance bodies according to their gender, age group and minority group membership (as of December 31, 2010):

Gazit-Globe	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Board of Directors	13	87	0	25	75
Management	20	80	0	60	40
Professional Employees	38	62	10	90	0
Administration	100	0	50	50	0

Gazit-Globe Israel	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Board of Directors	0	100	0	50	50
Management	57	43	0	100	0
Professional Employees	69	31	14	53	33
Administration	7	93	52	43	5

First Capital Reality	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Board of Directors	20	80	0	40	60
Senior Management	25	75	0	42	58
Middle Management	51	49	1	52	46
Professional Employees	61	39	17	77	6
Administration	91	9	14	61	25
Maintenance	0	100	4	54	42





LABOR PRACTICES



Citycon	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Board of Directors	10	90	0	30	70
Management	20	80	0	40	60
Professional Employees	42	58	5	69	26
Administration	71	29	7	79	14

Equity One	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Board of Directors	10	90	0	70	30
Management	17	83	0	67	33
Professional Employees	66	34	17	65	18
Administration	87	13	19	57	24

We are proud that during 2009 and 2010 no incidences of harassment or discrimination against employees were reported at Gazit-Globe headquarters. **GC6**

In addition to our Code of Business Conduct, our subsidiaries have formulated procedures for promoting equality and protecting their employees from insult and harassment, including procedures for dealing with sexual harassment.

Managers oversee the implementation of these procedures, including issuing warnings to employees regarding possible sanctions. We employ all measures required under Israel's law for preventing sexual harassment. We hold an annual training session focused on this subject, the statute is publicly displayed in our offices and management officers of both sexes are available in case of possible harassment, or for filing complaints.



Citycon:

To prevent discrimination, Citycon employs a proactive equal opportunity scheme which mandates certain actions and provides guidance for identifying and dealing with potential discrimination. Country-specific action plans are updated annually in cooperation with employee representatives. Every other year, Citycon also conducts a group-wide equality assessment, obtaining feedback on its efforts to promote equal opportunity.

HUMAN RIGHTS

Upholding human rights is one of the core values at Gazit-Globe and our commitment to support and protect human rights is an inherent part of Gazit-Globe's multinational business practices. Our respect for humanity is a top priority. Employees working for the Company are granted basic rights as mandated by law such as fair wages, rest times, annual leave, convalescence, etc., as well as additional benefits such as social activities, holiday gifts and families gatherings. **GC1 GC2**

Global Compact

In 2010, we adopted the principles of the United Nation's Global Compact initiative and incorporated them as part of our business practices. The Global Compact is an initiative to motivate businesses to align their operations and strategies with ten fundamental principles in the areas of human rights, as well as labor, environment and anti-corruption. A summary of the Global Compact principles, and how we align our business practices with them, can be found on page 21. **GC1 GC10**

We also respect and support the principles of the United Nations' Universal Declaration of Human Rights, which, in addition to equality, include civil and political rights as well as economic, social and cultural rights. **GC1 GC2**

Forced and Compulsory Labor

All of the companies in the Gazit-Globe Group strongly oppose the violation of basic human rights. The Group's companies employ adults who work of their own free will and who receive appropriate pay and decent work conditions. In all of our years of operations, there has never been a single complaint, investigation or action pertaining to forced labor. **GC4**

Child Labor

Gazit-Globe is strongly committed to the effective abolition of child labor. The Company doesn't employ underage minors and follows all rules and regulations regarding this issue in the countries where it operates. We have never been the subject of a complaint, investigation or action pertaining to child labor. **GC5**





HUMAN RIGHTS

Freedom of Association

Gazit-Globe highly respects the freedom of association of its employees and the right to join labor unions as mandated by laws and regulations. Currently, there are no labor unions at Gazit-Globe. **GC3**

Citycon:

Citycon supports the ILO Declaration on Fundamental Principles and Rights at Work. The principles of this declaration include freedom of association and recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination in respect of employment and occupation. In 2010, Citycon did not employ anyone under the age of 18, even though this is permitted by law under certain conditions. In Finland, for instance, many companies give young people under the age of 18 an opportunity to become acquainted with work as part of a nationwide training scheme. Citycon's shopping centers provided some pupils with one week training sessions as part of the program. **GC3 GC4 GC5**



Carrefour St-Hubert, Longueuil, Quebec, Canada

All of the companies in the Gazit-Globe Group strongly oppose basic human rights violations. The Group's companies employ adults who work of their own free will and who receive appropriate pay and decent work conditions.





In our quest for excellence, we are continually raising the bar to improve our business practices, aiming for higher levels of transparency, fairness and ethical conduct.



San Pelegrino, Caxias do Sul, Brazil

Section 4. SOCIAL PERFORMANCE

INTRODUCTION

We are committed to acting as a model corporate citizen. We express this through our daily business activities and by making substantial contributions to numerous charitable organizations and initiatives in the areas of education, health, welfare, the arts and culture.

We firmly believe that our business of developing, managing and operating shopping centers and medical office buildings has a strong positive effect on the communities in which our businesses operate. We also appreciate that through our financial support and the volunteer

activities of our employees, we can make a difference in the lives of at-risk populations, in educating future generations and in advancing culture. From an ethical perspective, our Code of Business Conduct mandates that we conduct our business to preclude

unfair business activities, anti-competitive behavior, or monopolistic practices. During the reporting period, we were not subject to any legal action for anti-competitive behavior, anti-trust, or monopoly practices.



BENEFITING THE COMMUNITY

Our shopping centers are predominantly anchored by supermarket or drug stores, and also include discount retailers, restaurants, banks, medical clinics as well as smaller local businesses. They provide a variety of basic necessities, products and services that are typically required on a regular basis and offer a diversity of shopping experiences for consumers in one easily accessible location.

Our medical offices platform, which is engaged in acquiring and managing medical office buildings adjacent to best-in-class teaching hospitals and research institutions in urban neighborhoods with growing populations, provide attractive, convenient premises for the medical profession and patient populations.



Citycon:

Citycon strives to support the local communities in which its shopping malls are located. Its malls include many non-commercial operations, including public administration service points, libraries, health care centers, home care units and even chapels. The sites or structures of some of Citycon's shopping centers possess a cultural history or 'construction heritage' which Citycon endeavors to preserve or record. Local partners and representatives are included in the planning and implementation phases of construction projects. Citycon carried out a toy collection campaign in 17 shopping centers around Finland in conjunction with the Mannerheim League for Child Welfare. More than 60,000 toys were collected and donated to day care centers, hospitals and low-income families. Some of the toys were also sent to Eastern Europe.

CUSTOMER SATISFACTION

We regard client satisfaction as a top priority. Clients of Gazit-Globe's subsidiaries can be divided into two groups: tenants, who rent stores in our shopping centers, and consumers who use the facilities and stores in the shopping centers. We check the satisfaction level of these two client groups through surveys at our shopping centers. These surveys enable management to understand the needs of our clients and consumers and result in improved service and greater satisfaction on their part. In consumer surveys, participants are asked to rate their overall satisfaction with the shopping center and specific issues such as store variety, their shopping experience, and café and restaurant diversity.

Citycon:

In 2010, Citycon conducted a survey involving in-depth interviews with various stakeholder groups' representatives and their expectations towards Citycon. The results from the retailers' surveys were used to set targets in business plans, to monitor tenant-mix changes more closely and to enhance CRM activities. A portal was also established in Finland to facilitate greater communication between Citycon and its tenants in that country. Results from other independent surveys revealed that Citycon's Finnish shopping centers are among the best known in Helsinki.

In Sweden, six Citycon shopping centers were included in two independent surveys which measured retailers' and consumers' satisfaction levels. According to the results of the consumer survey, Citycon's strengths included parking facilities, safety and accessibility. Tenants appreciated Citycon's safety and security, the availability of maintenance personnel, and waste recycling and environmental activities.

All of Citycon's shopping centers have websites which provide contact details for submitting customer feedback to management. Several shopping centers also have a presence on social media such as Facebook or Twitter.



CORPORATE GIVING PROGRAMS

Above and beyond our business activities, we believe that it is both a duty and a privilege to contribute to the community. Several years ago, we formulated a Social Investment Policy which outlines our Group's commitment to contribute, invest and assist the community, as well as our philanthropic activities and opportunities for employees who wish to volunteer their time to various organizations. SO1

During 2010 we invested NIS 3.83 million, compared to NIS 3.0 million in 2009, in educational and charitable organizations that share our values which include promoting academic excellence, reducing societal inequality and assisting young people. Our corporate philanthropy extends to organizations and initiatives that are involved in health, education, welfare, arts and culture, primarily in Israel and the US.

The primary focus of our communal investment is on education with a particular emphasis on achievement, leadership and social responsibility. We believe that education is a fundamental and essential element in bringing about change in society and in reducing societal and economic inequality.



Our employees are also encouraged to volunteer their time to non-profit organizations and volunteer programs.

Our contributions to the community are determined by an internal charitable activities group that is comprised of members of management. This group establishes the Company's goals for giving and identifies those target areas in which the Company will focus its charitable activities.

ANTI-CORRUPTION

Our Code of Business Conduct states that Gazit-Globe and its employees must maintain high ethical and professional standards in dealing with government officials and the private sector. In addition, Gazit-Globe property or services must not be given, either directly or indirectly, to anyone in an improper effort to obtain or retain business or to obtain special or unusual treatment in connection with any business transaction. The Code also states that employees must not engage in unfair, deceptive or misleading practices, and that employees must always represent the company in an honest and forthright manner. Employees must also not take unfair advantage of any person by manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. We also retain an internal comptroller and external accountant to facilitate transparency, responsibility and anti-corruption throughout the Group. **GC10**

Most of our employees receive training in our Code of Business Conduct, which includes information about our anti-corruption policies.

Within the framework of our multi-year audit plan, we carried out a survey related to embezzlement and fraud

at our company and those of our subsidiaries. The survey's findings were examined and discussed by the managements of our companies and they also come under discussion by our Board's Audit Committee. We are strictly implementing its recommendations and decisions, and, overtime, examining its implementation according to the recommendations and our discussions of the subject. Our Company implements work procedures and controls, as well as various internal control activities including questionnaires and disclosure committees, and also established a reporting hot line in order to minimize our exposure. We have also further strengthened our internal control systems by complying with provisions of the U.S. Sarbanes-Oxley Act which establishes standards, among other things, for the prevention of embezzlement and fraud.

Following our public offering of securities in the US in 2011 (following the publication of this Report), we are also committed to complying with laws and to the highest ethical standards in all of our business conduct, including strict compliance with the letter and spirit of the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"). The FCPA's anti-bribery provisions prohibit making payments, promises or offers of anything of

value to foreign government officials or employees (at any level), political candidates, or political party officials, to obtain or retain business or to secure an improper advantage.

The jurisdictional reach of the FCPA can be broad and we require full compliance with the FCPA and all other applicable anti-corruption laws by all of our employees, officers and representatives, regardless of citizenship or work location. Violations of such laws can carry severe civil and criminal penalties for the Company and its employees and representatives personally. Violations of company policies can have severe employment consequences, up to and including termination.

All employees are required to comply with the policies and guidelines set forth in our Anti-Corruption Compliance Policy. The Policy applies to our Company, our privately-held subsidiaries, as well as to those acting on behalf of the Company, including officers, directors, employees, stockholders, dealers and other agents of the Company.



Westchester Medical Campus, White Plains, New York, USA

First Capital Realty:

First Capital Realty has clearly defined expectations of its employees, officers and directors which are set out in its Code of Conduct and Ethics and in its Whistleblower Policy. Employees, officers and directors are required to sign these documents before joining the organization and annually thereafter. The Code includes instructions for dealing fairly and honestly with shareholders, tenants, suppliers, competitors, and other employees; behaving in an ethical manner; not offering excessive or inappropriate gifts or other benefits to persons, including public officials and political parties that might influence or be perceived as influencing business decisions; not accepting excessive or inappropriate gifts or other benefits from persons conducting business with First Capital Realty, and a prohibition from soliciting, encouraging or receiving bribes or other payment, contribution, gift or favor that could influence any decision. **GC10**

Equity One:

Equity One is committed to providing an ethical and strict corporate governance structure. Its Code of Conduct details its anti-corruption policies. Equity One also employs an independent contractor (Ethics Point, Inc.) to administer an unbiased and confidential reporting mechanism by which employees and members of the public can report any suspicious or potentially unethical dealings. This hotline is available 24/7, does not trace or record calls and allows reporting individuals to remain anonymous. **GC10**

Citycon:

Citycon has detected no signs of corruption in its customer relations or partnerships, and has received no such reports from external parties. Therefore it has not considered it necessary to cover corruption risk in its risk management program. Citycon has a zero-tolerance policy towards bribery and other forms of corruption. It maintains travel and representation guidelines, defining the rules for acceptable business travel and representation. All travel and representation expenses must be approved by a superior and recorded in Citycon's travel and expense accounting system. **GC10**

RISK MANAGEMENT

Risk Management includes our ability to identify, assess and treat deliberate, systematic and consistent risks that threaten our achievement of goals and objectives, as well as the ability to analyze events, draw conclusions and take actions to reduce damage and prevent future recurrences.

Our approach is that risk assessment is not a separate process or operation, but an integral part of our routine daily operations and management. Hence, the responsibility for risk

management applies to each and every one from our Board of Directors to management and down to the last employee – everyone in their area of responsibility and activity as a part of our organizational culture.

We engage in risk mapping, and it specifies specific activities for managing the material risks inherent in our operations and in corporate control, including - financial risk management (such as - making hedging transactions), operational

risk management (e.g. implementing activities to secure data and acquiring insurance policies), and managing legal risks (for example, through the use of enforcement programs). We also adopted the familiar and accepted COSO model to manage this subject.

In addition, we implement a series of audit and internal control activities that are aimed at strengthening our internal structures and systematic risk management of our various activities and those of the companies we control. We also comply with Israel's 'Goshen' Committee requirements, and subsequent to our IPO in the United States and the listing of our shares on the NYSE during 2011 (following the reporting period of this Report) we are further strengthening our internal control systems and our compliance with U.S. law (Sarbanes Oxley). We are working systematically and consistently to strengthen our corporate governance as well as our risk management. In 2011 (following the reporting period of this Report), in recognition of the importance of this issue, we appointed a manager that specializes in this area, given that this is not a one-time project, but an area that requires professional oversight over the long term as an integral part of our ongoing activities and management.



ANTI-COMPETITIVE BEHAVIOR



The Company meets all statutory requirements and avoids any practices intended to subvert or eliminate competition and refrains from price-fixing contracts and price discrimination. During the reporting period, the Company was not subject to any legal action for anti-competitive behavior, anti-trust, or monopoly practices.

Our Code of Business Conduct states that no executive or employee may perform work or render services to any competitor of Gazit-Globe or to any organization with which Gazit-Globe conducts business or which seeks to conduct business with Gazit-Globe, outside of the normal course of his or her service or employment with Gazit-Globe, without the prior approval of the Internal Control Manager or the

Company's Compliance Officer. In addition, any executive or employee is prohibited from acting as a director, officer, or consultant of such an organization, and must not permit his or her name to be used in any manner that may indicate or give the impression of the existence of a business connection with such organization, without approval by the Company's Compliance Officer.

HEALTH & SAFETY

Introduction

We regard the health and safety of our employees, tenants and customers with the utmost importance and take all possible measures to ensure conformity with the strictest standards. Our subsidiaries arrange training for security personnel, develop crisis management protocols and implement comprehensive health and safety policies for the optimal operation of their properties and the safety of employees and customers.



Citycon:

Training arranged in 2011 for shopping center personnel covered waste management, safety and security and first aid, as well as training on customer service skills and the promotion of well-being. The content of training sessions varied, depending on the country and shopping center. To ensure the safety of shopping center personnel and customers, Citycon acquires the services of security guards and security officers from its partners. In all of Citycon's operating countries, the security guards must complete a training program where issues such as risky situations and liaising with minority groups are discussed. PR1 There were no incidents of Citycon's non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle.

Equity One:

Equity One has developed and instituted a Crisis Management protocol to ensure that proper training and instruction is provided to its staff to deal with all disaster situations as well as crisis events at its offices and shopping centers. This is part of Equity One's overall safety protocol within its operations to ensure the safety of its employees, tenants and other stakeholders that are present within its offices and operating properties.

First Capital Realty:

First Capital Realty has a health and safety policy to foster a safe and healthy work environment. Employees must comply strictly with the letter and spirit of applicable occupational, health and safety laws and the public policies they represent. They must not engage in illegal or dangerous behavior. FCR has zero tolerance for acts of violence, threats of violence, acts of intimidation and hostility towards another person or group of persons. Employees have a duty to report promptly any accident, injury or unsafe equipment, practices or conditions or violent behavior. First Capital Realty has a joint health and safety committee (JHSC) that represents 3% of the workforce. It comprises management and non-management representatives from Property Management, Finance, Acquisitions and Development, and Administration. The JHSC completed an eight-hour training session focused on risk identification and assessment in 2010.



We have made environmentally friendly principles a part of our operational DNA.



Governors Town Square, Georgia, USA

Section 5.
ENVIRONMENTAL
PERFORMANCE

INTRODUCTION

As a forward-thinking global real estate company, we believe that protecting the environment is important from both an environmental and a long-term economic point of view. Our leadership in this area is evidenced through our use of innovative green-construction principles and building standards in a growing number of projects throughout the world. Our aim is to minimize the environmental damage associated with our activities, to become more energy efficient and to improve the day-to-day environmental footprint of our operations. **GC7 GC8 GC9**

We also recognize the vital importance of promoting the responsible use and conservation of water in all of our operations. We are sensitive to protecting the biodiversity of species in their natural habitats, and, as a result, we examine biodiversity issues in our efforts to obtain LEED certification for our projects, building permits and zoning variances in order to avoid causing any possible harm to local biodiversity. Several of our subsidiaries have also implemented a variety of waste, emissions and sewage management policies. Furthermore, an integral part of our strategy for

minimizing our environmental footprint is to decrease our use of natural resources, energy and non-perishable materials, while increasing our use of recycled materials. **GC7 GC8 GC9**

Environmental protection is a strong focus of our entire organization. We strive to carry out the activities that have an environmental impact, such as the construction and maintenance of our commercial buildings in an environmentally responsible manner. **GC7**

Citycon:



Green Shopping Center Management Program

Citycon has developed a Green Shopping Center management Program, an environmental management tool aimed at promoting sustainable development and integrating environmental measures into Citycon's daily activities. **GC8** Shopping centers are assessed annually with respect to their:

- Energy consumption and energy efficiency
- Water consumption
- Waste management and recycling
- Refrigerants
- Procurement and cooperation agreements
- Traffic
- Marketing and external communications
- Training and internal communications

- Follow-up and reporting During 2010, during a 'Green Audit', the environmental results of each shopping center were analyzed and an action plan was developed to enable the centers to fulfill their environmental responsibility objectives. A 'Green Index' was developed to create comparable audits. On average, the Green Index of the centers improved by 26 per cent from the previous year. Conservation actions that Citycon has taken include specifying and implementing energy-saving measures for each property, increasing tenant co-operation in generating energy savings, and increasing the proportion of renewable energy in electricity procurement.

GREEN BUILDING



Over the past few years, we have made major strides forward in our efforts to incorporate green building practices. According to the US Environmental Protection Agency, green building is defined as “the practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building’s life-cycle from siting to design, construction, operation, maintenance, renovation and deconstruction. This practice expands and complements the classical building design concerns of economy, utility, durability, and comfort. Green building is also known as a ‘sustainable’ or ‘high performance building’.” **GC7 GC8 GC9**

Green building often includes taking measures to reduce energy consumption – both the energy required to extract, process, transport and install building materials, as well as operating energy required to provide services such as heating and power for equipment. To reduce operating energy use, high-efficiency windows and insulation in walls, ceilings, and floors increase the efficiency of the building envelope and solar water heating further reduces energy costs. **GC7 GC8 GC9**

The energy used to heat and power buildings accounts for a substantial amount of CO2 emissions and greenhouse gas (GHG) emissions. Measures to reduce GHG emissions from buildings fall into one of three categories: reducing energy consumption and embodied energy in buildings, switching to low-carbon fuels including a higher share of renewable energy, or controlling the emissions of non-CO2 GHG gases. **GC8**

In 2010, we completed our first shopping center development in Brazil. The 14,500 square meter San Pelegrino mall is located in the City of Caxias do Sul, the second largest city in Brazil’s southern state of Rio Grande do Sul, which has over 400,000 residents. The San Pelegrino shopping mall was awarded the international LEED-certificate and is the first ‘green’ shopping center to be built in Brazil in line with the Group’s overall development strategy and our commitment to green construction.

Some of our achievements in green building include:

Citycon:



During 2010, Citycon was awarded a Silver LEED® certificate for the redevelopment and extension of its Rocca al Mare shopping center in Tallinn, the first LEED® certificate ever awarded in a Baltic country. Citycon’s Liljeholmstorget Galleria shopping center in Stockholm was the first European shopping center to be awarded the highest Platinum LEED® certificate. **GC8**



Gazit-Globe Israel:

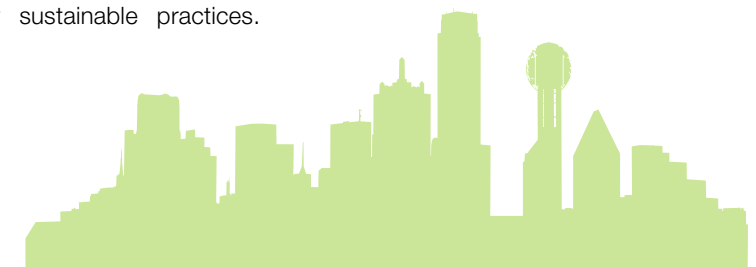
Gazit Globe Israel constructs its new shopping centers according to the Environmentally Friendly Buildings Standard of the Israel Standards Institute (Green Construction Standard IS 5281). This standard ensures that energy, land, water and proper waste management are factored into the planning and construction processes; that eco-friendly, sustainable methods are used during construction; and that all construction is supervised by Israel’s Ministry of Environmental Protection. **GC8**

First Capital Realty: Taking the “LEED” in Canada



When First Capital Realty committed to ‘go green’ in 2006, it was already in an advanced stage of the planning and design work for its Morningside Crossing mall. The decision to bring this large, complicated project into conformance with LEED® standards added another dimension to an already complex challenge. Environmentally inspired objectives became a leading consideration which required the introduction of significant changes to existing drawings and the use of new technologies to ensure greater water and energy efficiency. For example, white reflective roofs were installed to combat the “heat island” effect, and systems were instituted for the collection of rainwater for landscape irrigation. Many materials salvaged from the old mall were diverted from landfill and recycled or reused on site. In short, LEED® certification became a central theme that permeated all business decisions and created a template for sustainable practices. **GC8 GC9**

First Capital Realty continues to develop its properties to LEED® standards. As of December 31, 2010, 15 projects at 9 properties were certified to LEED® with another 55 projects at 36 properties under development, in the process of construction or awaiting LEED® certification. Water conservation is another important focus of First Capital Realty, and in 2010 a number of initiatives were implemented, including reduced irrigation and audits on water use. Reducing energy consumption is also key, and during the year First Capital Realty implemented several energy conservation measures, such as retrofitting interior and exterior lighting to more efficient technology. First Capital Realty also has two properties under development that will use geothermal energy for heating and cooling. All of these initiatives enhance First Capital Realty’s environmental performance, many of which reduce its operating costs, benefitting tenants and shareholders. **GC8**



CONSERVATION AND RECYCLING



We and our subsidiaries use a variety of resources and materials in our commercial offices and shopping centers, ranging from energy and water to office equipment, paper, ink toner, bottles and packaging. An integral part of our strategy for minimizing our environmental footprint is to decrease our use of natural resources, energy and non-perishable materials, while increasing our use of recycled materials. We also strive to collect used products and materials for recycling and/or re-use.

In shopping centers, we employ conservation measures wherever possible, ranging from the installation of water-saving devices in restrooms to the employment of 'dry garden' principles in landscaping, the recycling of packaging materials and the use of low energy lighting and alternative energy sources. **GC9**



Gazit-Globe Headquarters, Tel Aviv, Israel:



Recycling and Reuse Programs

At our corporate headquarters in Israel, we have deployed a number of environmental practices aimed at increasing our recycling and reducing our consumption of resources:

- **Electricity:** we have installed an automatic air-conditioning shut-off system that operates after work hours and on weekends. This has resulted in a considerable energy savings.
- **Toners:** we save resources by standardizing on recycled toners.
- **Water:** we have equipped our restrooms with water saving systems.
- **Batteries:** we battery-disposal points for our tenants, and dispose of batteries used in our offices properly.

- **Paper:** we recycle an average of half a ton of paper per month.
- **Computer equipment:** we donate unused equipment for charity.
- **Plastic products:** we collect plastic drink bottles and other recyclable plastic products and submit them for recycling
- **Paper:** we recycle an average of half a ton of paper per month
- **Computer equipment:** we send obsolete equipment for recycling
- **Plastic products:** we collect plastic drink bottles and other recyclable plastic products and submit them for recycling



Equity One: Recycling Activities

Equity One has launched an extensive recycling program across its entire portfolio of shopping centers and within its corporate offices. The program includes the recycling of glass, plastic, metal, wood with the goal of decreasing the generation of solid waste, encouraging recycling and creating a positive impact on natural resources and the environment. To date, the implementation of this

program has saved over \$730,000 on the company's waste removal expenses, and has increased the recycling of its total waste stream from 20% to 47%. This has saved over 12,000 cubic yards of landfill space.

GC9

First Capital Realty:



Paint Recycling

First Capital Realty participates in "La Boîte Jaune/Yellow Box," an initiative aimed at the collection of unused paint and batteries. In its Beaconsfield, Côte St-Luc, Domaine and Wilderton shopping centers, customers were invited to deposit unused paint and batteries at the program centers, resulting in the collection of over 14,000 liters of unused paint and 891 kilograms of batteries. "La Boîte Jaune/Yellow Box" recycles the paint and paint cans through Peintures Récupérées du Québec. **GC9**



ENERGY

2009 & 2010 ENERGY CONSUMPTION FOR GAZIT-GLOBE'S HEADQUARTERS:

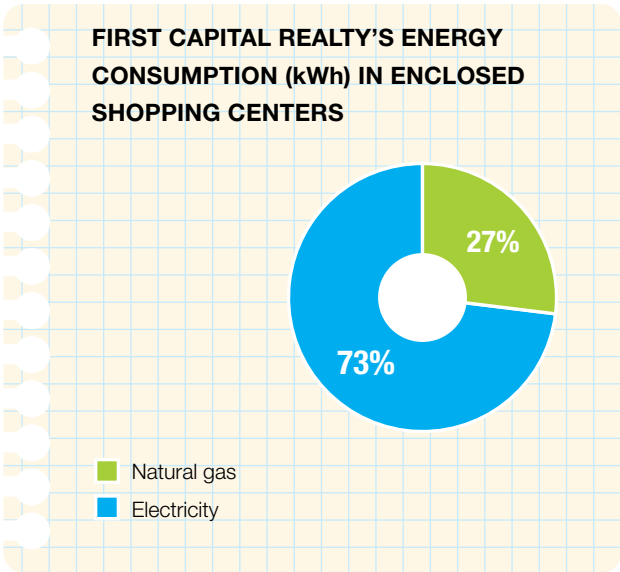
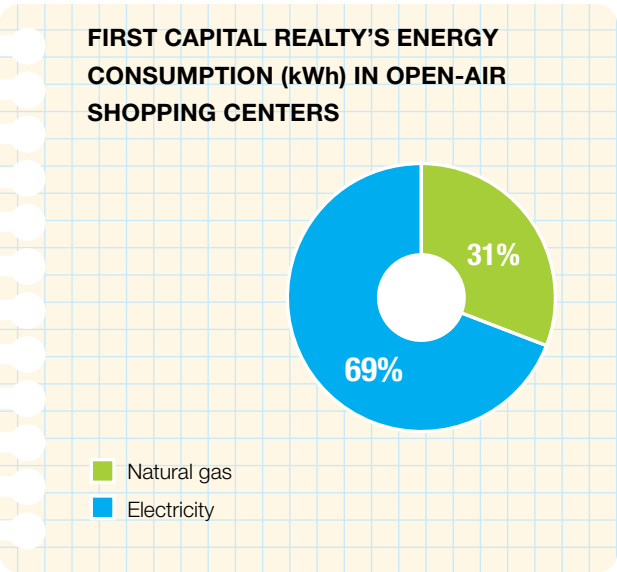
2009	2010
kWh 201,317	kWh 261,761

FIRST CAPITAL REALTY'S 2010 ENERGY CONSUMPTION AND COSTS BY ENERGY SOURCE IN OPEN-AIR SHOPPING CENTERS

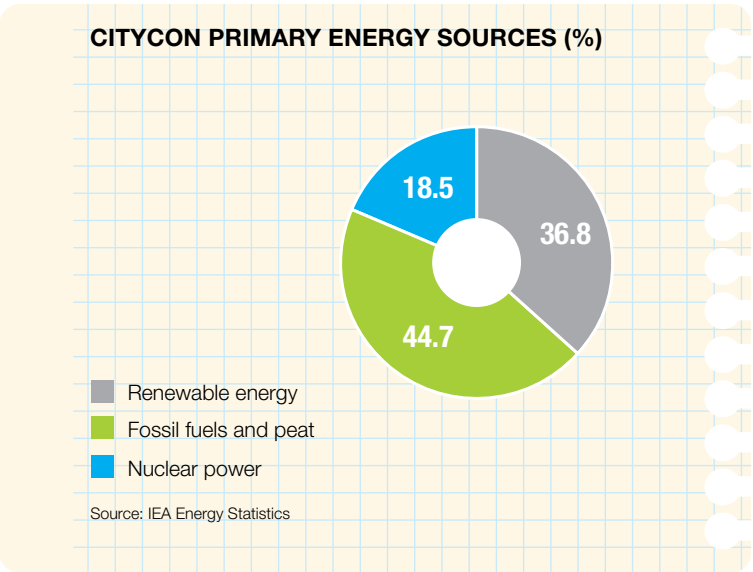
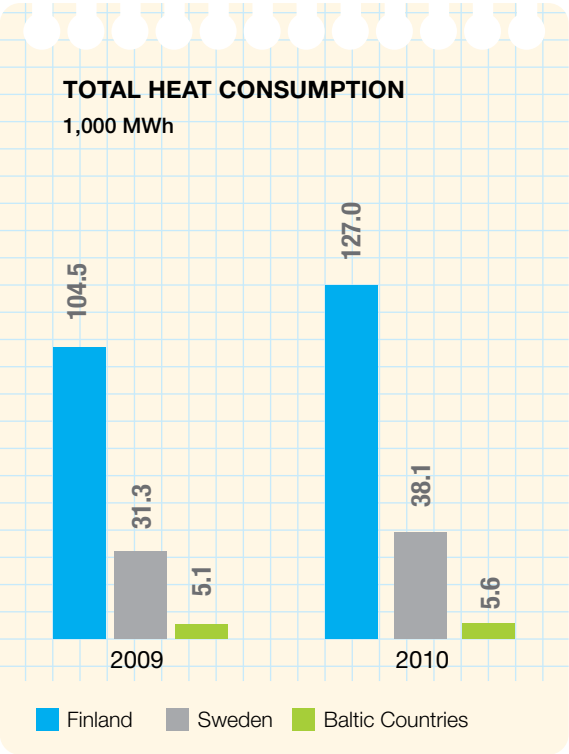
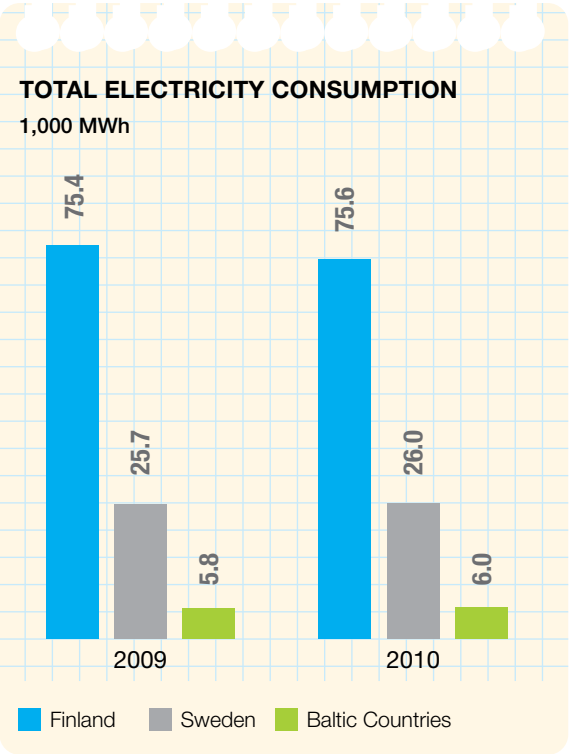
Source	Consumption (kWh)
Natural Gas	21,972,000
Electricity	49,882,000
Total	71,854,000

FIRST CAPITAL REALTY'S 2010 ENERGY CONSUMPTION AND COSTS BY ENERGY SOURCE IN ENCLOSED SHOPPING CENTERS

Source	Consumption (kWh)
Natural Gas	13,910,000
Electricity	37,542,000
Total	51,452,000



THE FOLLOWING GRAPHS ILLUSTRATE CITYCON'S PRIMARY SOURCES OF ENERGY AND ITS TOTAL CONSUMPTION OF ENERGY AND HEAT FOR 2009 & 2010:



ENERGY

Citycon:

Energy

In 2010, Citycon's electricity consumption totaled 104.7 gigawatt hours and heating totaled 170.7 gigawatt hours. Total consumption of primary energy used by Citycon was 1,430 terajoules. All consumption at Citycon's properties was from indirect sources (i.e. there are no heating plants located at Citycon's properties). Those sources included renewable energy (36.8%), fossil fuels and peat (44.7%) and nuclear fuel (18.5%). In 2010, energy consumption figures were affected by extended Sunday opening hours in Finland, which led to an increase in property usage hours. According to a survey by Energiakolmio, the impact of the Sunday opening hour change was fairly low (~1.5%). Regardless of the extended opening hours, consumption of energy at Citycon's Finnish shopping centers fell by 4%



during 2010, whereas in Sweden it rose by 1% and in Baltic countries by 4%. In addition, the exceptionally cold temperatures at the beginning and the end of the year resulted in a 21% rise in heat consumption. Consumption includes general lighting, ventilation, cooling, lifts and escalators and other technical systems in Citycon's buildings.



ENERGY CONSERVATION

We consume significant amounts of energy to light, heat and cool our properties. As such, we are increasingly focused on the conservation of energy in all of our operations, and on the utilization of alternative energy sources where possible to operate our shopping centers and other properties. This is an ongoing process which has not yet been implemented fully throughout our operations. **GC7 GC8 GC9** Our Northern European subsidiary, Citycon, for instance, has not switched to renewable energy sources because the cost of electricity in Citycon's operating areas remains relatively low, compared to its cost in other European countries, and current renewable energy alternatives require expensive up-front investment that can only be recovered over a long period of time. Citycon expect to accelerate its conversion to alternative energy sources as the price of electricity increases and renewable technologies become more reliable and cost-effective.

First Capital Realty: Energy Conservation Measures



In 2010, working with suppliers, electricians and utility companies, First Capital Realty retrofitted interior pot and cove lights at one property with energy-efficient ballasts and lamps, resulting in the reduction of its annual energy consumption by 144,000 kWh. Photocells were installed on exterior lighting at another property, reducing energy consumption and operating costs. At one mall, halogen lighting was replaced with metal halide lamps to decrease annual energy consumption by 4,300 kWh. At several other properties, the company installed motion sensors. **GC8 GC9**

To date, First Capital Realty has replaced and/or installed over 1.1 million square feet (approximately 102,000 square meters) of roofing with white reflective roofing to reduce the 'heat island' effect, an area that is the equivalent of more than 10 football fields. It has also built 707,000 square feet (approximately 65,700 square meters) of white reflecting roofing on new developments. **GC8 GC9**

During 2010, First Capital Realty's IT Department completed a number of virtualization and thin client conversion projects, resulting in an estimated annual energy saving of 217,000 kWh.



Cinema City, Rishon LeZion, Israel



ENERGY CONSERVATION



Equity One:

Solar Centers

Equity One initiated its company-wide solar program with an initiative focused on its properties in Massachusetts. In 2010, it completed the installation of its first solar center at Webster Plaza. This deployment has a power generating capacity of 200kW, and currently generates 226,000 kWh per year for its tenants. From a sustainability perspective, this will reduce the center's carbon emissions by 123 tons per year, a quantity equivalent to the removing of 50 automobiles from the road or planting 70 acres of forest each year.

GC8

Equity One now plans to create solar plants for additional Massachusetts properties. After converting all of its sites to solar power, Equity One anticipates that it will have reduced its carbon emissions by 570 tons per year. This is in line with the stated goals of Equity One's sustainability program, and also enables it to provide electricity at a discounted price to its tenants. **GC8**



Citycon:

Increasing Energy Efficiency

Citycon aims to increase its energy efficiency at each of its properties using consumption data, energy audits and equipment life cycle analyses. During 2010, Citycon achieved its target of saving 1-2% of its electricity consumption compared to the previous year, despite the year's exceptionally cold temperatures, a phenomenon which necessitated a 21% rise in heat consumption. **GC8**



Equity One:

Lighting and Energy Management

Equity One has deployed the pilot phase of an energy management system that it will use to control lighting in the parking lots of its Westbury Plaza shopping center. The system tailors the lighting schedules for its parking areas to actual needs. The system was fully commissioned during 2011 (following the reporting period of this Report), and is expected to result in a significant reduction in Equity One's consumption of electricity by eliminating lighting that is not needed during off hours. This system will also enable EQY to accurately measure electricity usage for each of the parking lot's light fixtures. Equity One is analyzing the data relative to kWh reduction and related cost reductions arising from the installation of the system. EQY has also deployed this system on an additional 8 properties. **GC8**



Serramonte Shopping Center, Daly City, California, USA

We are increasingly focused on the conservation of energy in all of our operations, and on the utilization of alternative energy sources where possible to operate our shopping centers and other properties.

WATER

Our properties use water to support cleaning activities, supply landscape irrigation and to provide sewage conveyance, as well as for consumption by our employees, tenants and their customers. In most cases, municipal water treatment plants provide our properties with potable water, and our wastewater is sent to municipal treatment plants. We recognize the vital importance of promoting the responsible use and conservation of water in all of our operations. **GC7**

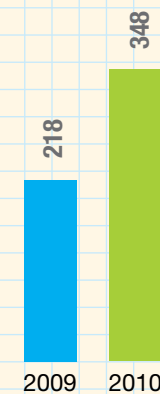
First Capital Realty:



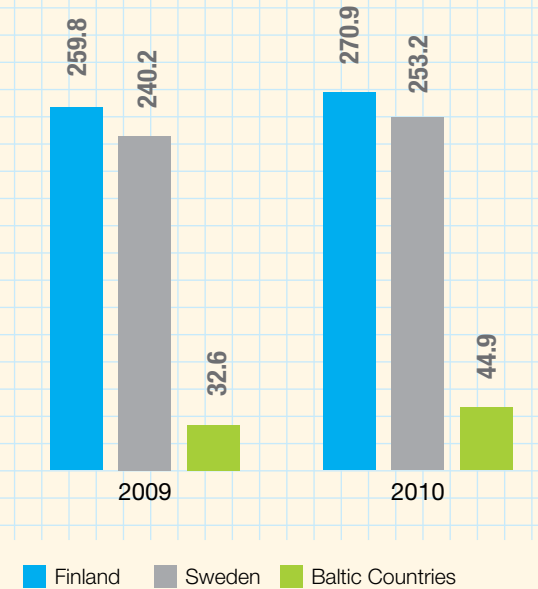
One water meter is installed at each First Capital Realty property (with the exception of its Quebec properties where water consumption is not metered and water costs are included in the municipal property tax assessment.) Tenants at First Capital Realty's open-air and enclosed shopping centers are not separately metered for their water consumption. First Capital Realty charges back the costs of water consumption to the tenants based on their square footage. As a result, water consumption and costs associated with its tenants are included in this report. Open-air shopping centers comprised 77% of First Capital Realty's GLA and consumed 74% of First Capital Realty's water consumption. Enclosed shopping centers comprised 23% of First Capital Realty's GLA and consumed 26% of its total water consumption. First Capital Realty's total water consumption for 2010 was 1,509,673,000 liters. To improve operational efficiencies and develop a cohesive data collection and reporting system for water consumption and costs, the Company awarded the management of water invoices to a third-party provider.

The following graphs illustrate the water consumption of Gazit-Globe and several of its subsidiaries:

GAZIT GLOBE HEADQUARTERS WATER CONSUMPTION (m³)



CITYCON TOTAL WATER CONSUMPTION (1,000 m³)



WATER

Citycon:

Water Consumption

Citycon's aggregate water consumption totaled 569,021 cubic meters in 2010, including all Citycon-owned shopping centers and other retail properties in which Citycon holds a 50% interest, which accounts for 96% of Citycon's total gross leasable area. The reported amount includes water consumed by real estate companies and tenants. Tenant water consumption is highest for grocery stores, restaurants and cafés, hair salons, laundries and car wash facilities. Citycon plans to install water meters to monitor user-specific consumption. A property's water consumption includes water used in public facilities such as customer toilets, and water used for cleaning, property maintenance and watering plants. An exceptionally warm summer caused a peak in water consumption between June and August. **GC8**



First Capital Realty:

Water Conservation Measures

First Capital Realty customizes its water management strategies for its shopping centers, installing technologies ranging from rain sensor irrigation systems, to low-flow plumbing fixtures, to the recycling of rain water for landscaping needs. For example, during 2010 it replaced the lawn at its Hunt Club Marketplace with sedum plantings to reduce water consumption. It also repaired ineffective sprinklers and irrigation systems at another property, resulting in the savings of an estimated 443,500 liters of water per year. **GC8**



Gazit-Globe Israel:

The G Shopping Complex in Kfar Saba, Israel was designed to be eco-friendly. Among the many green initiatives included were the development of seep-holes to return rainwater to the ground and decorative pools that use recycled water. In addition, in most of the properties, all taps and toilets are directed dose taps to save water. **GC8 GC9**

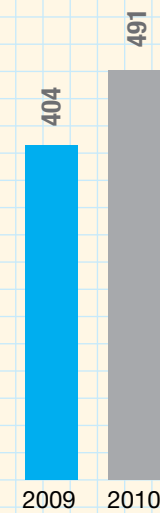
Our subsidiaries vary in their levels of implementation of water conservation measures. For example, First Capital Realty awarded a contract for the management of water invoices to a third-party provider in order to improve its operational efficiencies and develop a cohesive data collection and reporting system for water consumption and costs. **GC8**



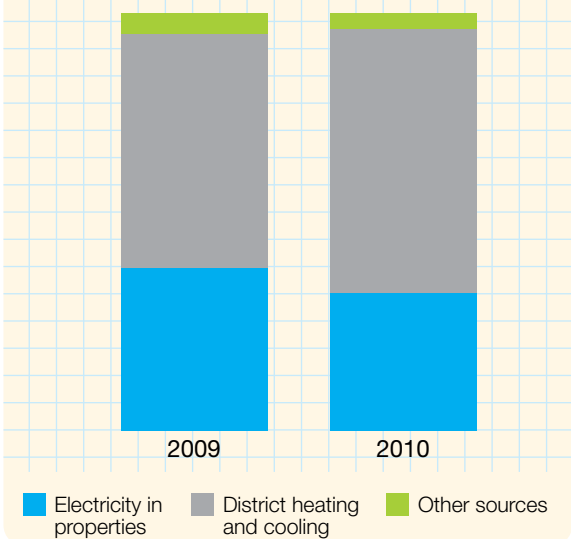
EMISSIONS, EFFLUENTS & WASTE

The following charts illustrate Gazit Israel's, FCR's and CityCon's GHG emissions for the reporting period:

GAZIT-GLOBE EMISSION (TON)



CITYCON EMISSION (CO₂E) DISTRIBUTION



EMISSIONS, EFFLUENTS & WASTE

2010 GHG EMISSIONS FROM FIRST CAPITAL REALTY ENTIRE PORTFOLIO

ENERGY SOURCE	SCOPE 1 EMISSIONS (CO ₂ e TONNES)	SCOPE 2 EMISSIONS (CO ₂ e TONNES)	TOTAL (CO ₂ e TONNES)
Natural Gas	6,600	0	6,600
Electricity	0	28,500	28,500
Total	6,600	28,500	35,100

CITYCON DISTRIBUTION OF EMISSIONS

	2010		2009	
	tnCO ₂ e	%	tnCO ₂ e	%
Electricity in properties	20,191	31.5	20,424	35.9
District heating and cooling in properties	43,035	67.1	35,845	62.9
Electricity and heat in office premises	29	0.0	30	0.1
Waste water in properties	212	0.3	210	0.4
Waste in properties	67	0.1	58	0.1
Business travel	475	0.7	271	0.5
Commuting	117	0.2	106	0.2
Paper consumption and mail	2	0.0	3	0.0
Total	64,128	100.0	56,847	100.0

CITYCON EMISSION SCOPES

	2010		2009	
	tnCO ₂ e	%	tnCO ₂ e	%
Scope 1, direct	0	0.0	0	0.0
Scope 2, indirect	63,255	98.6	56,269	98.8
Scope 3, indirect	874	1.4	679	1.2

First Capital Realty:

GHG Emissions

GHG emissions result from the burning of fossil fuels to provide power, heating and cooling to our properties. Because tenants in our open-air retail shopping centers are separately metered for natural gas and electricity consumption, they pay the utility companies directly for their energy consumption. Therefore, the GHG emissions from these energy sources are not included in our report. Tenants in our enclosed shopping centers are separately metered for power; however, they are not separately metered for heating and cooling. As a result, the GHG emissions from the energy sources used to provide heat and cooling in these properties are included in our report. Open-air retail shopping centers comprised 77% of our GLA and emitted 43% of the Company's total GHG emissions. Enclosed shopping centers comprised 23% of our GLA and emitted 57% of

the Company's GHG emissions. First Capital Realty's total direct and indirect greenhouse gas emissions in Canada were 6,600 tons and 28,500 tons of CO₂, respectively, excluding GHG emissions from regional office energy consumption and energy consumed by tenants. Also excludes GHG emissions from other indirect scope 3 sources.

Citycon:

GHG Emissions

Citycon's carbon footprint totaled 64,129 tons of carbon dioxide equivalents as detailed on the enclosed table. The majority of the emissions (98.6%) originated from properties' electricity and heat consumption. The calculations also take into account emissions generated by waste logistics, water consumption and Citycon's other functions. The carbon footprint grew by 12.6% from the previous year due primarily to the increase in heating consumption caused by an extremely cold winter.

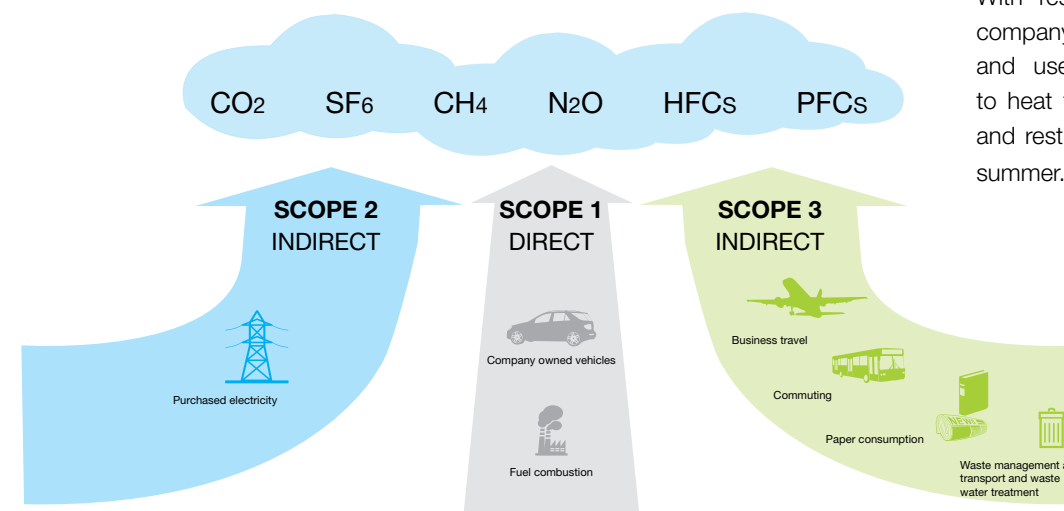
Gazit-Globe Israel:

Gazit-Globe Israel has begun implementing a variety of responsible waste, emissions and sewage management policies. All projects that have been developed in the past years by the company have been designed in accordance with requirements set by Israel's Ministry for Environmental Protection and other authorities responsible for preventing pollutant emissions, waste disposal, etc. In Israel, the company conducts its demolition operations according to Israeli regulatory standards, while in projects outside of Israel, that are currently in planning stages, are governed by the more stringent of local or Israeli standards.

In addition, the company has hand drying facilities instead of paper towels in the bathroom.

With respect to recycling, there is a separation of organic waste cardboard, cages and compressors cartons and recycling facilities in restaurants.

With respect to energy saving, the company uses energy saving lamps, and uses energy efficient methods to heat the centers during the winter and restricts energy usage during the summer. **GC8 GC9**



EMISSIONS, EFFLUENTS & WASTE

First Capital Realty: Waste Disposal



First Capital Realty spent \$2.9M on waste recycling/disposal costs during 2010. First Capital Realty maintains a comprehensive waste reporting system for its Ontario properties that identifies its recycling/waste stream, the quantity of recycling/waste generated and the method of disposal or diversion. Included in the report is tenants' waste

which is under First Capital Realty's responsibility. However, First Capital Realty has not instituted a national waste program that includes all of its properties due to discrepancies in the options available for waste disposal in various markets, the different recycling/waste disposal methods deployed in each market, the lack of recycling channels available in certain markets, and the broad discrepancies in the capabilities of the waste management companies available to transport and recycle/dispose of recycling/waste streams. **GC7**

First Capital Realty also collects all paper/mixed fibre, cardboard and mixed glass/metal/plastic waste streams from its Ontario properties and sends them for recycling. It composts its organic waste and sends them to landfill or waste-to-energy facilities.

GC8

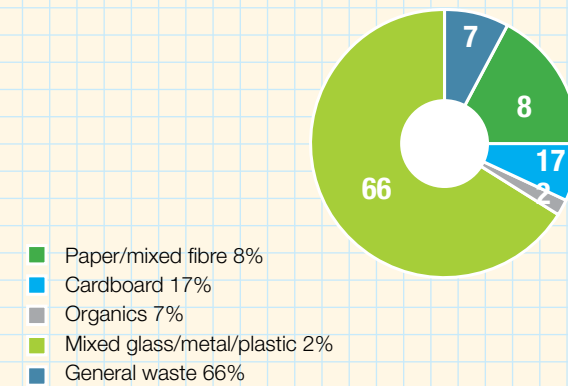
The following graph illustrates First Capital Realty's various methods for disposing of non-hazardous waste in its Ontario, Canada centers during 2010:

METHOD OF DISPOSAL OF NON-HAZARDOUS WASTE IN ONTARIO IN 2010

COMPOSTING (TONNES)	RECYCLING (TONNES)	WASTE TO ENERGY (TONNES)	LANDFILL (TONNES)	TOTAL (TONNES)
590	2,440	3,750	2,140	8,920



2010 WASTE PROFILE OF NON-HAZARDOUS WASTE GENERATED IN ONTARIO



Citycon: Waste Disposal



Citycon makes a conscious effort to recycle the waste generated by its shopping centers. The waste recycled includes the composting of biological waste (including food products); the collection of combustible waste which can be converted into energy; and the collection of glass, paper and cardboard which can be recycled for use as raw materials for industry. **GC8**

Citycon is meeting its long term objectives for waste management. Properties managed by Citycon generated 13,650 tons of waste

during 2010, of which 12,979 tons were collected from shopping centers and 671 tons from other properties. The average recycling rate of waste materials for Citycon's shopping centers was 77.1% and the proportion of landfill waste was 22.5%. Its recycling rate is calculated as the share of treated waste types, recycled, incinerated or reused, of total waste volume. Landfill waste is excluded from recycled items. For 2009, its recycling rate was calculated as the material recycling rate, which did not take into account the quantity of incinerated waste. The calculation method and related targets were changed to meet the general practice of the industry. Citycon organizes

property waste management and sorting in accordance with country-specific waste legislation and local regulations. The reported waste quantities include all Citycon-owned shopping centers and other retail properties in which Citycon holds at least 50% interest and accounts for 89% of Citycon's total gross leasable area. Properties whose tenants are responsible for waste management is not included as their waste quantities are unknown. In its construction projects, Citycon calculates the total recycling rate from waste generated during the construction process.



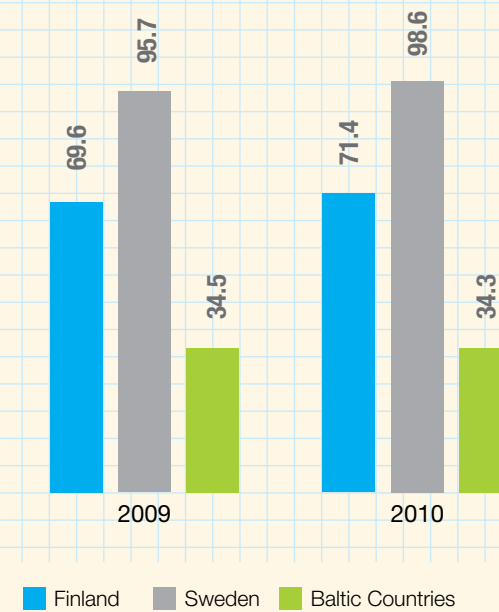
EMISSIONS, EFFLUENTS & WASTE

The following graphs show waste amounts collected at Citycon's shopping centers, various methods its used to dispose of waste during 2010, its recycling rate in various countries, it recycling rate for shopping centers during 2009 and 2010, and its recycling rate for it construction waste:

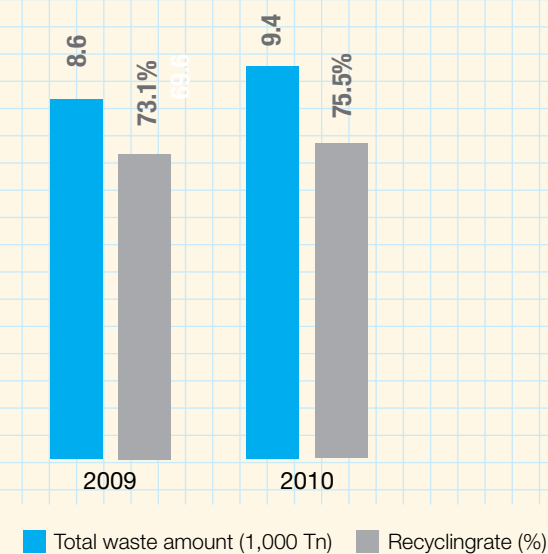
WASTE COLLECTION IN CITYCON'S SHOPPING CENTERS

TYPE OF WASTE	2010		2009	
	TONS	%	TONS	%
Landfill waste	2,917.0	22.5	2,892.3	25.7
Energy waste	3,540.2	27.3	2,597.6	23.0
Bio waste	1,556.5	12.0	1,356.7	12.0
Paper	444.5	3.4	445.8	4.0
Cardbord	3,679.2	28.3	3,303.5	29.3
Plastic	44.8	0.3	65.5	0.6
Glass	378.4	2.9	283.6	2.5
Metal	128.4	1.0	123.1	1.1
Hazardous waste	3.2	0.0	28.5	0.3
Other reusable waste	236.5	1.8	124.6	1.1
Other unsorted waste	50.8	0.4	54.0	0.5
Total	12,979.4	100.0	11,275.2	100.0

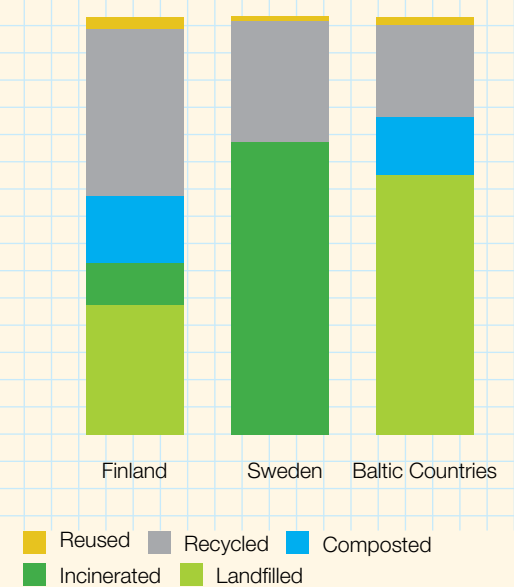
CITYCON RECYCLING RATE (%)



CITYCON TOTAL WASTE AMOUNT AND RECYCLING RATE IN LIKE-FOR-LIKE SHOPPING CENTERS



CITYCON WASTE BY DISPOSAL ROUTES IN 2010 (%)





EMISSIONS, EFFLUENTS & WASTE



Equity One:

Waste Data

During 2010, Equity One extended its recycling program from 123 properties to 135 properties. In addition, it initiated an audit of all its properties currently enrolled in the program to ensure all of the services were “right sized,” and that recycling services were being maximized. As part of the auditing process, it reduced the overall waste material hauled away from the properties by 19,430 yards. During the reporting period, the operating properties, together with Equity One’s corporate and satellite offices, generated nearly 388,000 yards of waste. 46.7% of the material was made of recyclable materials, while the remainder was sent to waste disposal facilities. Equity One was unable to finalize a tracking system during the reporting period to analyze the waste facilities used (i.e. landfill or incinerator facilities), and expects to continue refining its reporting in this area in the future. Due to “right sizing” programs implemented in view of increased vacancies and a changed mix of tenants, Equity One’s percentage of recycled waste decreased to 46.7% during 2010. **GC8**



First Capital Realty:

Reusable Shopping Bags & Paint Recycling

FCR has undertaken a number of initiatives to reduce the waste generated at its properties and communities. In 2010, the company distributed over 120,000 reusable shopping bags to its tenants and customers to reduce the use of plastic bags. By using reusable shopping bags, consumers are able to reduce the environmental impact of their shopping, reducing the amount of plastic disposed and the energy associated with the creation of single-use products. **GC8**



As a global leader, we aim
for a higher CSR standard:
Doing What's Right.



The Gallery at Westbury Plaza, Long Island,
New York, USA

Section 6.

GLOBAL REPORTING INITIATIVE (GRI) INFORMATION

GAZIT-GLOBE GRI DECLARATION

“The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide.”



As part of our goal of creating a Corporate Responsibility report that meets transparency best practices, we determined that this second report will be according to the GRI - Global Reporting Initiative's guidelines for the purpose of enhancing this report's technical quality, credibility and relevance.

Application Level

In order to comply with the terms of GRI's G3.1 guidelines, Gazit-Globe was required to address the issue of selecting the Application Level most suitable for the Company. According to the GRI, CR Reports aiming to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant level.

Self Declared Application Level

Gazit-Globe established a clear target of publishing a Second Application “B” level report. We proudly present this second report which reflects our commitment to our stakeholders, including the communities in which we operate, the environment in which we live and our Company's shareholders.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures Output	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed For Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures Output	Not Required		management Approach Disclosures for each Indicator Category		Same as requirement for Level B	
	G3 Performance Indicators & Sector Supplement Performance Indicators Output	Report on minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on minimum of 10 Performance Indicators, including at least one from each of: Economic, Environmental, Humen rights, Labor, Society, Product Responsibility		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either a: reporting on the Indicator or b explaining the reason for its omission	

GRI INDEX

✓ Reported ○ Partly reported — Not reported

STANDARD DISCLOSURES PART I: Profile Disclosures

1. Strategy and Analysis

Profile Disclosure	Description	Reported	Reference/ Comments
1.1	Statement from the most senior decision-maker of the organization.	✓	4-5
1.2	Description of key impacts, risks, and opportunities.	✓	4-5

2. Organizational Profile

Profile Disclosure	Description	Reported	Reference/ Comments
2.1	Name of the organization.	✓	10
2.2	Primary brands, products, and/or services.	✓	10
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	✓	12-17
2.4	Location of organization’s headquarters.	✓	17
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	✓	16-17
2.6	Nature of ownership and legal form.	✓	10
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries).	✓	16-17
2.8	Scale of the reporting organization.	✓	10
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	✓	There were no significant changes during the reporting period
2.10	Awards received in the reporting period.	✓	24

3. Report Parameters

Profile Disclosure	Description	Reported	Reference/ Comments
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	✓	6
3.2	Date of most recent previous report (if any).	✓	6
3.3	Reporting cycle (annual, biennial, etc.)	✓	6
3.4	Contact point for questions regarding the report or its contents.	✓	128
3.5	Process for defining report content.	✓	6
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	✓	6
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	—	N / A
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	—	N / A
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	✓	6
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	—	N / A There were no restatements from earlier reports
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	—	There were no significant changes in the scope of the report
3.12	Table identifying the location of the Standard Disclosures in the report.	✓	116-127
3.13	Policy and current practice with regard to seeking external assurance for the report.	—	No external assurance provided

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✓ Reported ● Partly reported — Not reported

4. Governance, Commitments, and Engagement			
Profile Disclosure	Description	Reported	Reference/ Comments
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	✓	26-27
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	✓	26
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	✓	26
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	✓	21, 27, 37, 39
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	✓	34-35
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	✓	26, 35
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	✓	26
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	✓	21, 90-91
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	✓	27
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	✓	26

Profile Disclosure	Description	Reported	Reference/ Comments
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	✓	80
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	✓	21, 24-25
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	✓	21,24, 46-47
4.14	List of stakeholder groups engaged by the organization.	✓	36
4.15	Basis for identification and selection of stakeholders with whom to engage.	✓	36
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	✓	37-45
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	✓	37-45

STANDARD DISCLOSURES PART II: Disclosures on management approach			
G3.1 DMAs	Description	Reported	Reference/ Comments
DMA EC	Disclosure on Management Approach EC	✓	51
DMA EN	Disclosure on Management Approach EN	✓	88
DMA LA	Disclosure on Management Approach LA	✓	64
DMA HR	Disclosure on Management Approach HR	✓	64
DMA SO	Disclosure on Management Approach SO	✓	77
DMA PR	Disclosure on Management Approach PR	✓	77

STANDARD DISCLOSURES PART III: Performance Indicators

Economic			
Performance Indicator	Description	Reported	Reference/ Comments
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	✓	53-55, 59, 79 Annual Report 2010- Note 33, p. 144 or p.340 in pdf
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	✓	61
EC3	Coverage of the organization's defined benefit plan obligations.	—	
EC4	Significant financial assistance received from government.	—	
Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	—	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	—	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	—	
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	✓	56, 59
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	✓	56, 59

Environmental			
Performance Indicator	Description	Reported	Reference/ Comments
Materials			
EN1	Materials used by weight or volume.	—	
EN2	Percentage of materials used that are recycled input materials.	✓	92-93
Energy			
EN3	Direct energy consumption by primary energy source.	✓	94-96
EN4	Indirect energy consumption by primary source.	—	
EN5	Energy saved due to conservation and efficiency improvements.	—	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	✓	91,97-98
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	—	
Water			
EN8	Total water withdrawal by source.	✓	100-102
EN9	Water sources significantly affected by withdrawal of water.	—	
EN10	Percentage and total volume of water recycled and reused.	—	
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	—	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	—	
EN13	Habitats protected or restored.	—	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	—	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	—	

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✓ Reported ○ Partly reported — Not reported

Performance Indicator	Description	Reported	Reference/ Comments
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	✓	103-105
EN17	Other relevant indirect greenhouse gas emissions by weight.	—	89,97-98
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	✓	
EN19	Emissions of ozone-depleting substances by weight.	—	
EN20	NOx, SOx, and other significant air emissions by type and weight.	—	
EN21	Total water discharge by quality and destination.	✓	Gazit's waterhouse and rainwater is let to the municipal sewer system
EN22	Total weight of waste by type and disposal method.	✓	106-107, 111
EN23	Total number and volume of significant spills.	—	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	—	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	—	
Water			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	✓	98-99, 111
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	—	
Products and services			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	—	
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	—	
Overall			
EN30	Total environmental protection expenditures and investments by type.	—	

Social: Labor Practices and Decent Work			
Performance Indicator	Description	Reported	Reference/ Comments
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	✓	65
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	✓	66
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	✓	65, 67-68
LA15	Return to work and retention rates after parental leave, by gender.	—	
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	—	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	—	
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	—	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	—	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	—	
LA9	Health and safety topics covered in formal agreements with trade unions.	—	
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	○	67
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	—	

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✓ Reported ● Partly reported — Not reported

Performance Indicator	Description	Reported	Reference/ Comments
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	✓	68
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	✓	69-70
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	—	

Social: Human Rights			
Performance Indicator	Description	Reported	Reference/ Comments
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	—	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	—	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	—	
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	✓	70
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	—	
Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	✓	71

Performance Indicator	Description	Reported	Reference/ Comments
Forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	✓	71
Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	—	
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	—	
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	—	
Remediation			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	—	

Social: Society			
Performance Indicator	Description	Reported	Reference/ Comments
Local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	✓	77, 79
SO9	Operations with significant potential or actual negative impacts on local communities.	—	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	—	
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	✓	81-82
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	✓	80-81
SO4	Actions taken in response to incidents of corruption.	—	

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✓ Reported ● Partly reported — Not reported

Performance Indicator	Description	Reported	Reference/ Comments
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	—	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	—	
Anti-competitive behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	✓	83
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	—	

Social: Product Responsibility			
Performance Indicator	Description	Reported	Reference/ Comments
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	✓	84-85
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	✓	84
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	—	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	—	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	✓	78

Performance Indicator	Description	Reported	Reference/ Comments
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	—	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	—	
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	—	
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	—	



Statement GRI Application Level Check

GRI hereby states that **Gazit-Globe** has presented its report “Gazit-Globe Corporate Responsibility Report 2009-2010” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 14 August 2012

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 5 August 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

For any inquires or comments regarding the report, please e-mail:

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Many thanks to everyone who contributed to the creation of this Report including **FisherKahn Financial Communication** for copywriting, **Portnov Mishan** for concept and design, and **Deloitte Brightman Almagor Zohar** for professional consultation.



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