

Maala's 2013 Index | How the index promotes norms in the business sector

Maala is pleased to announce its 2013 corporate social responsibility index. Maala's 2013 index consists of 82 companies which produce 63% of Israel's GDP of the business sector an overall turnover of NIS 331 billion. The aggregated number of workers of all participating companies is 199,406, which constitute 10% of Israel's total no. of workers in the business sector.

(Maala's 2013 index refers to the financial data released in 2012)

The index focuses on 6 main aspects in order to strengthen the positive social and environmental impact of the business sector:

1. Investing in workers
2. Diversifying the workforce
3. Donations and volunteer work
4. Energy, Waste, Water, Wastewater and Fuel Resource management
5. Ensuring proper Corporate Governance
6. Increasing transparency

Every year, Maala ranks dozens of companies according to their commitment to CSR principles. Maala's index provides large companies the tools to both manage and implement corporate social responsibility. The index provides a yearly ranking, along with the ability to map gaps and set goals for improving CSR vis-a-vis Israeli standards. The index was launched in 2003, and was broadened in 2006. The index criteria are decided upon by an independent public committee, comprised of experts, academics, and heads of social and environmental organizations and representatives of the business sector.

About Maala

Maala functions as a non-profit business network promoting corporate responsibility and Sustainability among 120 of the largest companies in Israel. Through its regular contact with these companies, Maala promotes a process of implementation and application of "corporate social responsibility" through knowledge dissemination which strive to give companies a thorough understanding of CSR.

Maala promotes the "third generation of corporate responsibility" through the advancement of initiatives which include both Israeli and international companies working in Israel. These initiatives demonstrate the shared value of both social and business benefits, with an emphasis on Israeli innovation and cooperation.

About The Index

Participation in the index is voluntary, and requires its participants to submit their company csr data. Approximately 25% of the 350 largest companies in Israel

Participate in the rankings (a percentage similar to foreign markets).

A computerized model grades the companies in an absolute manner of yes/no questions, or builds a comparative grading system in accordance with the performance of all the companies vis-a-vis that specific question. For example, when measuring the percentage of women in management positions, the company with the highest rate of women in management positions will set the bar. Thus, a company's grade will go down as the percentage of women in management positions decreases.

The target audience of the Index are the largest companies in Israel. These are corporations that employ thousands of workers, produce a turnover of hundreds of millions of dollars. This reality makes the advancement of change evermore complex. This, in essence, is the aim of the rankings: to translate the public's expectations for responsible management (both social and environmental) of the largest companies in the market into understandable, manageable and measurable parameters. We believe that participating in Maala's index improves the business' management process over time, providing it with an important management tool for continual improvement in its social and environmental initiatives.

Maala 2013 Index | Facts and Figures

Investing in workers

- 77% of the companies have established work- life balance policies
- 89% of companies allow workers to volunteer during work hours
- 70% of the companies assist workers in finding volunteer activities in their free time
- 82% of the companies conduct employee satisfaction polls every two years, which show an upsurge over the years.

Diversifying the workforce

- 68% of the companies have policies and targets for integrating Underrepresented populations

Integrating Israeli Arabs into the workforce:

- An average of 10% of the workforce among companies in the index is Arab, in comparison to 12.1% of the Arab Israeli workforce.
- 9% of newly-integrated workers during 2012 were Arab.
- One can see a significant increase in the percentage of Arab workers in the companies over the years.

Donations and volunteer work

- 90% of companies have volunteering programs
- A consistency in the median donation as a percent of pre tax profit: 1.2%

Energy, Waste, Water, Wastewater and Fuel Resource management

- 48% of the companies manage their environmental impacts according to the ISO 9000 standards, or other management standards.
- 67% of the companies set goals for lowering energy use and gas. These companies are 24% more energy efficient than those who have not set goals.
- 70% of the companies set goals for reducing waste and increasing recycling (including production, food and retail companies, respectively).
- 20% of the companies give financial incentives to workers who do not drive to work
- 36% of the companies invest significantly in the renewal and development of more environmentally friendly products and services (in accordance with the evaluation of the Index's environmental analysts).

Ensuring proper Corporate Governance

- In 81% of the companies, at least one third of the board of directors is comprised of independent directors
- In 68% of the companies, the board of directors enacted policies of governing compensation for senior executives.
- 85% of the companies laid out policies for providing donations or sponsorships.
- 88% of the companies appointed a manager responsible for corporate citizenship.
- A majority of the companies ensure that contract workers are paid according to the law:
 - 76% of the companies check the payments on their workers' salary slips.
 - 32% of the companies check previous convictions against contractors.
 - 50% of the companies hold random interviews with contract workers over their work conditions.
- Only 6% of the companies were convicted in the labor court for violating labor laws. This is a consistent trend: In 2010, only 3% were convicted; in 2011 8% were convicted; in 2012 9% were convicted.

Increasing Transparency

- 38% of the companies publish a CSR/Sustainability report detailing their social and environmental performance.
- 76% of the companies publicly announced their donation and community investment policies, as opposed to 2009, in which only 61% of companies did so.
- 68% of companies publish their environmental policy.
- 45% of companies report their CO2 emissions to external, certified groups.

Data submitted by participating companies is analyzed by **Greeneye**, the Israeli representative of **EIRIS**, in consultation with **S&P Maalot**, based on models developed by **McKinsey Israel** and external assurance by **Ernst & Young**.

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On the web: www.maala.org.il/en