

The Israeli Annex to the G3, GRI

draft for public review

Background

Thousands of companies from all over the world publish a comprehensive detailed corporate social responsibility report on an annual basis . This drives transparent dialogue with large sections of the public and with the community who influences and are influenced by companies and corporations (stakeholders). One of the outputs of adopting a corporate social responsibility approach is the writing and publishing of a csr report, in accordance with global GRI guidelines.

In 1993, 100 corporate social responsibility reports were published world-wide, in 1999, this increased to 500, in 2003, there were 1,500 reports and this year we expect this number to increase to over 1700. So far, 13,538 CSR reports and around 3,678 companies in 91 countries have reported in a formal way regarding their activities and economic, social and environmental impacts. This is certainly impressive growth in reporting levels.

The country appendix

A major advantage of the GRI guidelines and the creation of an internationally comparable standard with a broad scope. However, this advantage also carries a certain drawback. The guidelines do not provide a framework for local community and country issues in a specific way. The civil constitution in one country is unlike that of any other country. Each community has its own characteristics and unique considerations, which must be reflected in each local report. The third generation of GRI guidelines enables the addition of a country annex, which includes measures and guidelines for reporting at a specific local level.

The basic parameters that the country annexes must comply with are:

1. respond to the need for the GRI guidelines to be sensitive to local issues

2. provide complementary guidelines to those of the GRI in the same format and not in any way intended to replace GRI guidelines
3. designed in such a way as to avoid future complications and difficulties in GRI reporting
4. avoid any declaration relevant to the materiality of the GRI guidelines

The Process of Public Debate

The Israel country annex was drafted by a Steering Team of 40 members (details provided later in this document) and who met five times during 2007. During the meetings, the Steering Team structured the annex both in terms of format and content in line with the framework provided by the GRI in Amsterdam.

The process of developing the written draft was completed in early September 2007 and in accordance with the views of the Steering Team at the final meeting on 10/9/07, it was decided to publish the annex for the purpose of soliciting the views of the wider public during a further period of 4 months, until early 2008. At this time, we will hold a public event, which will formally launch the introduction of the annex. Should there be any feedback, which requires changes to the draft document, the Steering Team will meet again to address this.

In parallel, the annex will be translated into English and sent to the GRI for their views and blend with the work in process on a global level with regard to country annexes.

All feedback should be sent to liad@arkada.co.il

All forms of feedback will be welcome.

All collaboration in increasing the circle of communications and exposure of this draft annex will be welcome

Thank you

Liad Ortar
and the GRI Country Annex Steering Team

Israeli Reporting Issues

1. Co-existence

The State of Israel is a state comprised of several different groups within the population. Arabs make up the largest minority group. This sector is around 20% of the total population and the Arabic language is one of the three official state languages. The subject of co-existence is one of the key issues for sustainable development of Israel and the constellation in the Middle East.

Reporting clause added as clause 9 in the context of the section on Society performance indicators.

Reporting Aspect: Co-existence

9. (additional) Nature, scope and effectiveness of all the programs and projects for the purpose of promoting interaction and Jewish-Arab dialogue , in both internal and external activities.

2. Road Accidents

During 2006, 414 individuals were killed in car accidents in Israel, and 2,296 were seriously injured. Road accidents are one of the most significant causes of death and injury in Israeli society. This issue is has many causes, including the high level of vehicles on the roads, the poor quality of certain roads and the low level of law enforcement with regard to driver behaviour.

Reporting Clause added as clause 15, in the section on Labor Laws and fair workplace practices, performance measures relating to health and safety in the work place

Reporting Aspect: Road Accidents

15. (additional) The entire range of activities engaged in order to promote the prevention of road accidents, the ways in current laws and regulations are observed, scope of employee involvement in road accidents and educational programs to prevent road accidents.

3. Reserve Duty

The State of Israel is in a state of conflict. This situation demands that the state regularly maintains a pool of reservists available to be called up for duty in time of war. There are several hundred thousand potential reservists, many are young people who are employed or at university. The call-up for reserve duty uproots the reservist from his daily framework and damages his chances of success at work or in his studies.

Reporting clause added as clause 11, in the section on Society performance indicators

Reporting Aspect : Army reservists

11 (additional) The entire range of activities designed to support and assist reservists and their families and maintenance of equality of opportunity for them relative to their employers especially in comparison to other employees who do not do reserve duty.

4. Corporate Governance:

The quality of corporate governance of businesses is one of the important parameters from which we can learn about the commitment of the business organisations to all its stakeholders and shareholders. In the Israeli market, which is characterized by concentrated elements of control of wealth or high levels of shareholdings by wealthy individuals, the important issues relating to corporate governance refer to the way in which the business takes into account the requirements of minority shareholders, even if they are not aligned with the will of the majority.

Reporting clause added as clause 11 under the section on Company performance indicators.

Reporting Aspect : Corporate Governance

11 (additional) the ways in which the organization complies with the provisions of local codes and regulations relating to corporate governance, such as the Goshen committee recommendations. In the event that there are

elements, which the organization does not comply with, these should be listed and explained.

5. Accessibility

More than 10% of the citizens in any country have some form of disability. In order that this population can live with dignity, equality and independence within our society, accessibility must be improved.

Reporting clause added as clause 3.1 in the section on society performance indicators

Reporting Aspect: Accessibility

12. (additional) The nature, scope and effectiveness of all the programs and projects for promoting and improving accessibility and services provided to people with disabilities (including employees and customers), (provide details of accessibility in terms of physical accessibility to buildings, offices and stores, accessibility of customer-facing services for people with disability, accessibility of internet sites, accessibility of information.)

Reporting Aspect: Employment

Reporting clause added to clause 3.1 in the section relating to employment and responsible workplace.

Reporting Aspect: Employment

3.1 (additional) the scope of employment of people with physical, cognitive or sensory disabilities relative to all employees in the business

6. Periphery

Companies have a significant impact on the way in the gaps in society between the centre and the periphery can be reduced. These gaps show up at almost every single level of society and the economy.

The Government has an important role to play in reducing the gaps in society, but many business organizations have similar potential to put such objectives into practice by ensuring functions such as production, development and sales are routed to the periphery, supporting educational initiatives, and

payment of higher salaries. Reference in the report must be made to the policy for addressing such distortions.

Reporting clause additional as clause 10, in the section relating to the impacts of the business and if such a policy exists or is planned to exist, in the section on the economy and indirect impacts.

Reporting aspect: Indirect financial impacts

10 (additional) the way in which the organization takes into account considerations of center – periphery in its financial policy and geography related decisions, and the tools for implementing such policy.

List of members of the Steering Team

- **Liad Ortar** - Arkada
- **Galit Cohen** – Ministry of the Environment
- **Adv Liat Golan** – the Environmental Institute of Tel Aviv University
- **Elaine Cohen** – Potential One Ltd
- **Yael Kimeldorfer** – Marketing Content consultant
- **Meyal Ashot Tayeb** – Gav-Da
- **Dana Wohl** – Potential One Ltd
- **Orit Kot** – Bank Leumi
- **Adv Dr Oren Perez** – Lecture at the Faculty of Law, Bar Ilan University
- **Leutenant Michal Ishpa** – Head of Research, Reservists Section IDF
- **Nina Rabinovitch** – Environment Ltd
- **Ivri Verbin** – Good Vision
- **Yifat Meirovitch-Yifat** – Airports Authority
- **Heelee Kreisler** - PWC
- **Idit Duvdevani** – Good Vision
- **Avd Gil Drir** – Law offices Zvi Levinson
- **Ronen Gruber** – Environmental activist
- **Idit Hod** – Environmental consultant
- **Tamar Keynan** – Transport today and tomorrow
- **Oren Azriya** – Atad
- **Dov Basel** – Aviv Management
- **Emee Shutzman** – Motorola Israel
- **Liron Shahin** – Deloitte Brightman
- **Michal Lissak** – Environmental consultant
- **Yuval Hadar** – Hez Mat Ltd
- **Orly Mark** – Environmental engineer
- **Michal Rivlin** – Green course
- **Omri Lerner** – Student
- **Sharon Bar Lev** – Bank Leumi
- **Omer Levenberg** – Manufacturers Association
- **Noga Levzion Nadan** – Environmental consultant
- **Hava Doron** – Coffee House
- **Yuval Wagner** – Accessibility Israel
- **Hava Ben Horin** – content solutions
- **Yoram Adison** - consultant
- **Shahar Zehavi** - Baglobali
- **Revital Bitan** - Intel
- **Dr Ayal Nitzan** – Standards Institute
- **Adv Lior Shmueli** Ecofinance
- **Sharon Reuveni** – Shar consulting

In total, 40 people took part in the process. Thank you to all!!