

PRESS RELEASE - HERZLIYA, ISRAEL. 26th April 2010

Leading Israeli companies lack transparency

The Israel Sustainability Transparency Index 2010 results are now available

Although there is a slight improvement of 2% in the overall transparency of the leading 100 Israeli public companies, the overall level of sustainability transparency of Israeli companies remains low at only 33%.

Beyond Business, the leading CSR consulting and Sustainability Reporting firm in Israel is pleased to announce the results of the second Sustainability Transparency Index for 2010. The Index examines the transparency of sustainability issues of the largest Companies in Israel, publicly traded in the Tel Aviv 100 Index on the Israeli Stock Exchange. Once again the Index shows a "fail" level for transparency of leading Companies – an overall level of 33% transparency (versus 31% in 2009).

In 2010, 17 Companies were new to the Tel Aviv 100 Index, the most prominent among them being Ness Technologies who entered the Transparency Index in 9th place, and Tower Semiconductor who achieved 18th place.

Only 10% of the companies analyzed achieve a "pass" for Transparency, representing an overall level of over 50% transparency on sustainability issues. However, this is double the number of companies at the same level in 2009 (only 5 companies in total).

The 10 most transparent companies in the Tel Aviv 100 Index in 2010 are:

Company	Transparency Percent
1. Bank Hapoalim	96
2. Bank Leumi	93
3. Strauss Group	86
4. Partner Communications	75
5. Discount Bank	73
6. Cellcom Israel	60
7. Elbit Systems	55
8. Oil Refinery	53
9. Ness Technologies	51
10. Blue Square	50

Companies who exited the top ten list in 2010: Teva Pharmaceuticals (down to 15th place) and Matrix (down to 24th place).

Companies who joined the top ten list in 2010: Ness Technologies (9th place) and Blue Square (10th place).

Of the 10 companies placed in the top ten, 6 have published Sustainability or CSR Reports during the past two years. These are available on their Company websites.

65% of the Companies analyzed demonstrate levels of transparency between 10 and 50%, whilst 13% show very low transparency of less than 10%, and 14% do not provide any transparency whatsoever relating to CSR or business sustainability. Of the 14 % non-transparent companies (double the level of non-transparent Companies in 2009), 3 are Companies who were reviewed in 2009 and their websites show a significant reduction in transparency level, 5 are Companies who were included in the 2009 Index and show no improvement, and 6 are Companies who entered the Tel Aviv 100 Index in 2010 with zero transparency.

Distribution of Companies by Transparency Level

Level of transparency	% of Companies
51 – 100%	10%
10 – 50%	65%
1 – 9 %	13%
0 %	12 %

In 2010, once again, the leading sectors in transparency are the banking sector, with an average Transparency Index level of 44% and the Food Sector, with 43%. Three large banks, Leumi, Hapoalim and Discount, have published sustainability reports in the past two years, demonstrating a commitment both to sustainability and transparency.

In the communications sector, two companies take the lead – Partner Communications and Cellcom, with no other local public Companies showing signs of advanced transparent sustainability disclosure. In other sectors, the activity of a single company raises the profile of the sector in the Index, such as Elbit Systems in the electronics sector, or Blue Square in the Supermarket sector, but this is not representative of movement in the sector as a whole. This is somewhat different to global developments in transparency, where energy and chemicals sectors are in leading positions with the banking sector following, and the communications sector much further down the list.

The sector with the lowest level of transparency is the Oil and Gas sector, demonstrating only 3% average on the Transparency Index, despite the massive growth in activity during the past year and expectation of significant economic development and growth in this sector.

Average Transparency Level by Sector

Sector	Average transparency level (%)
Banks	44
Food	43
Pharma, Chemicals, Rubber and Plastics	31
Computers	30
Insurance	26
Electricity and electronics	26
Communications	26
Trade	19
Services	19
Wood, paper, printing	17
Biomed	10
Real Estate	10
Textile	5
Oil and Gas	3

Elaine Cohen, leading CSR consultant and co-CEO of Beyond Business said: "We have no doubt that transparency is evidence of a mature business which values accountability and sustainability. The Israeli market has a long way to go to develop more transparent practices. Year on year has seen little improvement, though there are some "stars" who are leading the way. We hope others will follow. "

To download the Transparency Index Report for 2010, please visit this link:

<http://bit.ly/b7hS21>

To download the Transparency Index Report for 2009 please visit this link:

<http://bit.ly/MJ2yd>

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Beyond Business Ltd is a leading CSR consulting and Sustainability Reporting firm, headquartered in Israel serving global clients.