



Gateway to Israeli CSR

ESG Profile of the Israeli Banking Sector | Sector Profile
The First in a series of reports on CSR in Israel
July 2018

Main Insights

The Israeli banking sector is very concentrated and highly regulated, including regulations impacting and interfacing with ESG.

When analyzing an Israeli cross-sectoral ESG performance benchmark, the banking sector ranks higher than the general rating across all evaluated issues.

In 2018, change is apparent in the mapping of the most important issues in banking as seen by the public: the share of the perceived importance of the costs of fees and commissions dropped dramatically, while that of transparency has risen substantially.

Great transformations are apparent in the sector, as banks work to improve their efficiency and respond to technological developments.

Public trust in the business sector in Israel has been improving steadily. After featuring very low ratings, trust in banks has been on the rise over the past two years, showing dramatic improvements.

Despite strengths in the domestic context, certain weakness is apparent in addressing some global issues, primarily climate change or SDGs, reflecting the Israeli public perception that disregards the relevance of these issues to the banking sector (or Israeli businesses in general).

Executive Summary

This sector profile aims to bridge the gap between International environmental, social and governance (ESG) benchmarks analyses and individual bank surveys. This is done by providing a local, sectoral Israeli benchmark that is sensitive to domestic market conditions and addresses local issues. This profile compiles information from numerous sources, in order to provide a comprehensive view of the sectoral performance regarding various ESG factors, thus enabling a more knowledge-based, in-depth analysis, which will inform responsible investors' fact-based decision making on responsible investments in the Israeli banking sector.

Sector Overview, Regulation and Trends

The Israeli banking sector is very concentrated and highly regulated, including regulations addressing ESG issues, which impact the performance of banks on these issues. The five largest commercial public banks in Israel together employ more than 45,000 people. Banks are obligated to provide services to all citizens and residents of Israel. Banks are required to publish

CSR reports, and, although it is not always standard practice in Israeli corporations, all banks in Israel have an executive in charge of coordination, management and development of CSR issues.

Beyond complying with CSR-associated regulations, most banks take their activities further. Four of the five largest banks are members of UN Global Compact, and four banks (3 of them are of the 5 largest banks), are rated by the TASE Maala CSR Index. All large banks are rated Platinum +, the top category of the index, as is reflected in the sector benchmark, featuring substantially higher ranking scores to banks on the vast majority of issues, compared with the general benchmark of companies in all business sectors.

Despite these strengths in the local context, it might be noted that a weakness is apparent in addressing some global issues, primarily climate change or SDGs. However, this is an apparent reflection of public perceptions that do not consider these issues to be of high importance among the responsibilities of the

banking sector.

According to reviews of the sector by the Bank of Israel and Maalot S&P Global Rating, results of Israeli banks for 2017 and the beginning of 2018 show that the banking system features continuing growth of capital and liquidity and high quality of the credit portfolio. These positive trends were reflected by rating activities and forecasts.

The impacts of technological changes on the banking sector have been dramatic, resulting in modifications of business models. Related efficiency measures included a significant reduction in employee numbers, while efforts are made to improve service to the customers, focusing on digital tools. Fees for services provided through digital means have been lowered, as retail banking competition is intensifying.

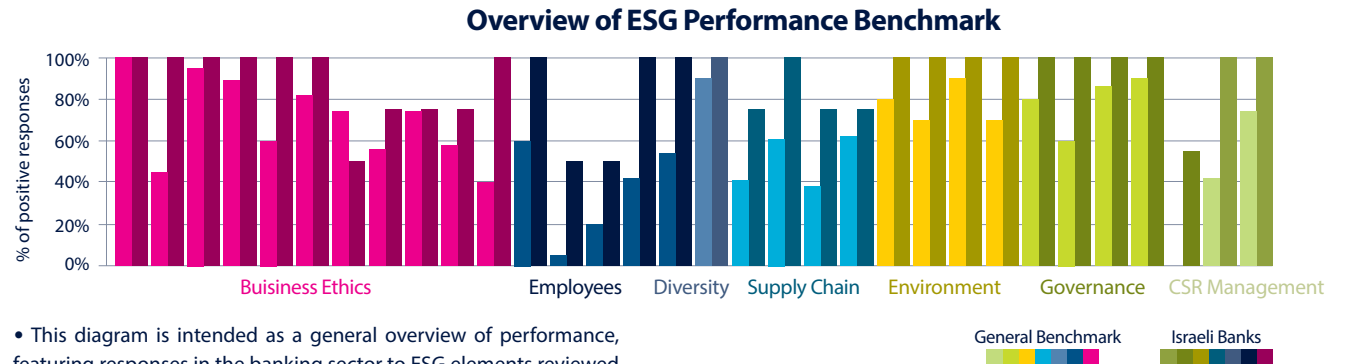
2017 was characterized by an increase in dividend rates to shareholders of the banks, most of whom are among the broad public, and in an increase in the value of bank

shares. There was a significant increase in the banks' market value relative to book value (MV/BV), with the average value in the banking system reaching 0.96.

ESG Performance Benchmark | Maala ESG Rating

The Maala ESG Rating, launched in 2003, is based on global ESG standards, addressing the 10 Global Compact principles, GRI criteria and other international indexes and measurement tools, while adapting them to the priorities of the Israeli market, as well as commonly acceptable working procedures in Israeli corporations. This document features issue-focused comparisons of the performances of 4 Maala rated banks, with those of all 128 rated leading Israeli companies. The Israeli banking sector ranks higher than the general rating for all sectors across all issues evaluated by the Maala ESG rating.

The rating scores reflect a determined, methodical management and investment by the banks in their social license to operate. As expected by the heavily regulated environment in which they operate, the



• This diagram is intended as a general overview of performance, featuring responses in the banking sector to ESG elements reviewed by the Maala ESG Rating. Please see [chapter 2](#) for detailed information and analysis.

banking sector features a higher level of corporate governance than the Maala rating general benchmark. As mentioned above, banks are mandated by regulation to publish a CSR report at least once every two years, as is reflected in their high ranking in the Governance section of the benchmark.

Banking regulation further impacts the Business Ethics section of the benchmark. The majority of banks have introduced a transparent and updated Code of Ethics, and all banks feature policies regarding gifting, hospitality expenses, donations and sponsorship etc.

Israeli banks tend to survey their stakeholders, asking how they perceive the bank's ethical conduct.

All bank employees are unionized, and the benchmark indicates fair treatment of employees – at higher levels than average of other sectors. Furthermore, banks generally attend to ensure the management of wages of workers employed by employment agencies or contractors, as is reflected in the Supply Chain section. Banks are aware of and familiar with international human rights guidelines.

The representation of women in senior executive positions, at 38%, is significantly higher than other companies, where representations averages only 29%. However. The share of women on the boards of directors is similar in banks to that observed in other sectors, with a 23% representation of women among all board members.

The overall median percentage of corporate donation by banks is 0.67% of their pretax profit, almost 70% higher than contributions of 0.4% of profit by other rated companies. Substantially higher rates of bank employees volunteer than the general benchmark.

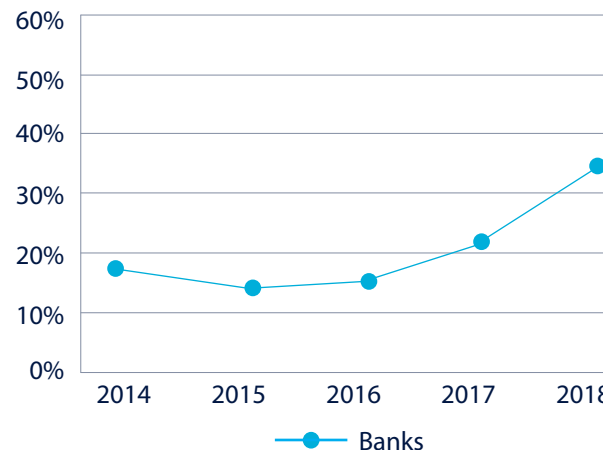
With regard to environmental issues, generally Israeli banks benefit from high ratings, indicating that they had defined environmental management programs, published their environmental policies, set environmental efficiency goals and invested the required resources to achieve them. However, upon closer scrutiny, it emerges that issues defined by the banks as material in the environmental context, address primarily their operational aspects, rather than their credit and finance providing capacity.

Public Trust | Maala-Globescan Radar

The Maala-GlobeScan Radar is a survey of public expectations from businesses and institutions, and has been conducted and published in Israel consecutively since 2014, linking public expectations and the businesses' social license to operate.

We believe trust in banks is rising as a result of the effort put by Israeli banks to be more attentive and responsive to public perceptions with regard to their conduct, addressing the important issues as conceived by public opinion and promoting social issues and projects.

Public Trust in Israeli Banks – 2014-2018



Public trust in businesses in Israel has been improving steadily, although the advancement was not presented in all sectors accordingly. After featuring very low ratings, trust in banks has been on the rise over the past two years, showing dramatic improvements.

The following factors identified as having positive impacts on public trust in businesses include:

- A positive contribution to the quality of life; businesses are expected to promote social purpose, not merely a reduction of prices;
- Informing the public on the consumption and use of products and services;
- Transparency.

Public Perception of Important Issues in Banking

In 2018, the public's view of the costs of banking fees and commissions as an important issue for banks to address, dropped dramatically to 26%, after maintaining a stronghold ranging between 44% and 54% in the years 2014-2017. Transparency, however, rose in its perceived importance from 9% in 2017 to 25% in 2018.

The reduction of physical branch numbers is reflected by increased importance attributed to the quality of

service. The public view generally does not consider macro-economic issues in its assessment of important issues in the banking sector

This profile aims to illuminate the impact of local circumstances on ESG performance, therefore the local discourse and public expectations are important criteria for analysis. In this framework, it should be noted that some issues dominating the international discourse with regard to ESG policies in general, and banking in particular, are muted and almost absent in the local context. Most conspicuously, climate change and SDGs are not usually mentioned in Israel in conjunction with the responsibilities or material issues of most business sectors, banking included.

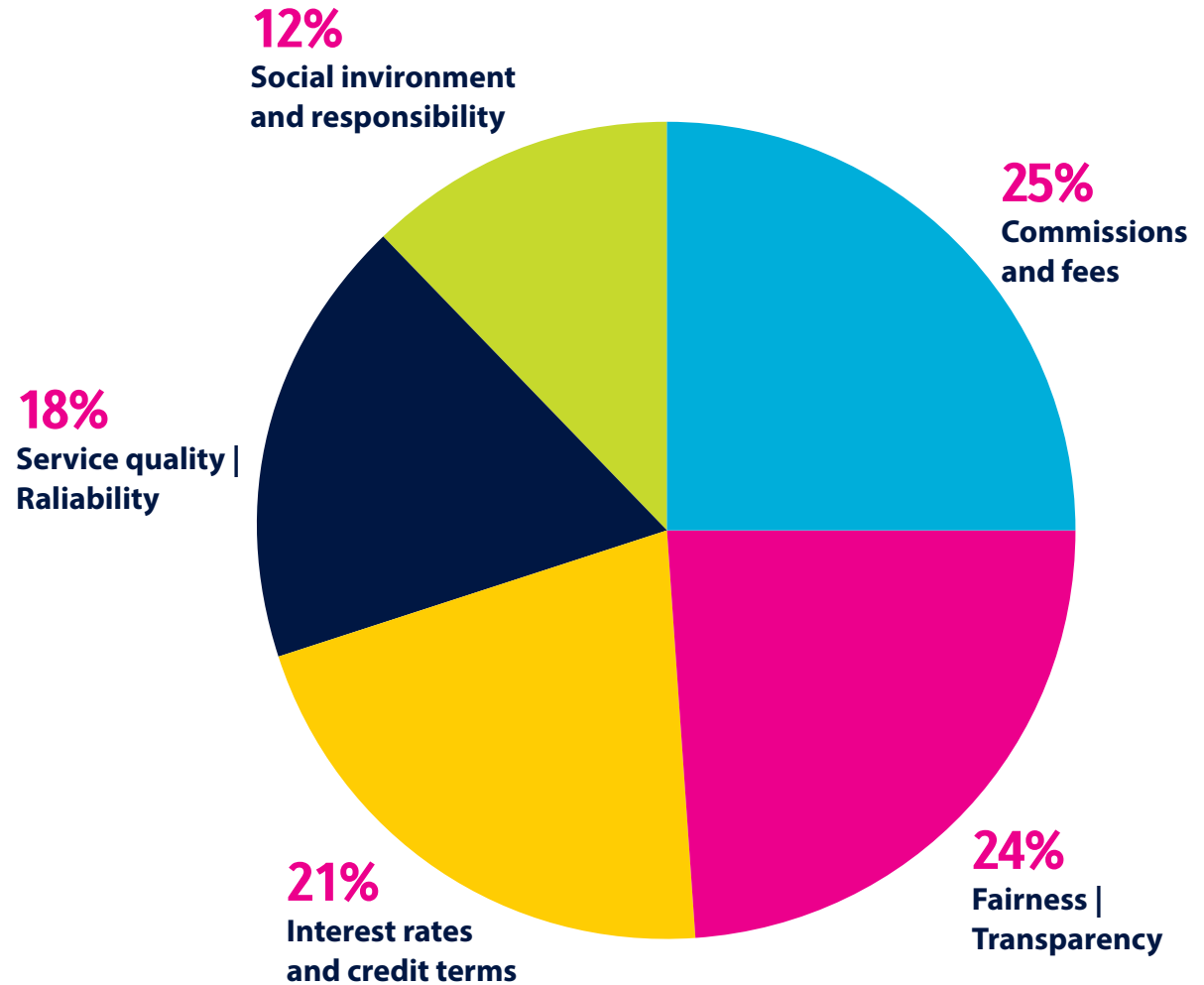


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Israeli Benchmark

About this Document

Internationally respected and recognized benchmarks analyze environmental, social and governance (ESG) factors, in order to evaluate and compare the performance of banks worldwide. These benchmarks supply invaluable information and provide important tools for the integration of ESG factors into investment considerations. However, due to their global nature they cannot be sensitive to domestic market conditions or address local issues that might impact some performances of Israeli banks in global ESG ratings. Information and evaluations within domestic contexts and addressing local regulations and business culture are often only available in Hebrew, and therefore overlooked by international rating companies and investors.

This sector profile provides a focused insight into the ESG performance of Israeli banks, in context of the domestic banking sector. It aims to bridge the gaps between individual bank surveys and the global banking sector benchmarks, by exploring materiality issues pertinent to the ESG performance of Israeli banks.

The scrutiny via a localized benchmark of businesses highlights specific conditions that impact the local market, and provides insights into the leadership of and within the Israeli banking sector. The result is intended to enable more knowledge-based, in-depth analysis when making decisions regarding responsible investments in the Israeli banking sector.

This document launches a series of in-depth reports covering different aspects of CSR in Israel, as part of a joint project by Maala and the Israeli government: Gateway to Israeli CSR, a comprehensive knowledge portal on corporate responsibility in Israel, in English.

Resources

This document uses a variety of tools to provide a comprehensive view and an up-to-date sectoral situation report about the Israeli banking sector. It compiles information by local institutions and analysts, data collected by Maala annually via several of its projects, and publicly available information provided by the banks themselves, including their annual reports and CSR reports.

Maala

Maala is a non-profit corporate membership organization promoting Corporate Social Responsibility (CSR) in Israel. Founded in 1998, Maala is considered as the CSR standards-setting organization in Israel. Presently, the membership organization is comprised of some 110 members, Israel's largest companies. Maala annually publishes the Maala ESG indexes on the Tel Aviv Stock Exchange and the Maala GlobeScan Radar, which studies the public expectations from businesses, and helps in defining their social license to operate.

For more information about Maala and its projects see

[Appendix 4.](#)

We invite you to learn more about responsible investments in Israeli businesses and join the conversation:

- Participate in the 2018 Maala international conference.

For more information see: en.maala.org.il

- We are available for professional opinions and trends, in depth discussion and conversations about specific issues. Contact us: info@maala.org.il

1. Sector Overview and Trends

Israeli Banking and ESG

1.1 Israeli Banks | This list is comprised of Israeli publically listed banks¹:

BANK NAME Link to CSR Report ESG Contact	Ticker	Shareholders' Equity² (Thousands, NIS)	No. of Employees³	Maala ESG Rating	Global Compact (Participant since)
BANK HAPOALIM Sustainability Report 2016 Contact: sharon.alaluf@poalim.co.il	POLI	35,863,000	11,628	Platinum +	2010
BANK LEUMI Corporate Social Responsibility Report 2016 Contact: Hadas.Eytan@BankLeumi.co.il	LUMI	33,167,000	11,636	Platinum +	2008
ISRAEL DISCOUNT BANK Corporate Responsibility Report 2016 Contact: anat.sigman@dbank.co.il	DSCT	15,594,000	9,401	Platinum +	2010
MIZRAHI TEFAHOT BANK CSR Report 2016 Contact: saffert@umtb.co.il	MZTF	13,685,000	6,141	Not rated	2016
FIBI (FIRST INTERNATIONAL BANK OF ISRAEL)* 2016 Corporate Social Responsibility Report Contact: ltzcovitch.O@FIBI.CO.IL	FTIN	7,756,000	4,563	Not rated	
UNION BANK** CSR Report 2014-15 (Hebrew) Contact: N/A	UNON	2,513,000	1,288	Platinum	
JERUSALEM BANK CSR Report 2015 (Hebrew) Contact: carmelf@bankjerusalem.co.il	JBNK	837,300	623	Not rated	
DEXIA ISRAEL Contact: N/A	DXIL	661,400	N/A	Not rated	

* FIBI Holdings, which holds FIBI, is also listed as a financial institution due to its involvement in FIBI, but not included in this list, as it is not involved in independent banking operations.

** A processes for the merger of Union Bank with Mizrahi Tefahot Bank is underway. This transaction was not approved by the Israel Antitrust Authority, and a final decision is yet to be made at the time of writing this document.

1. See full list of links to bank websites and CSR reports at the References section of this document.

2. Data from the Tel Aviv Stock exchange website: www.tase.co.il/Eng

3. Data from the BDiCode website: www.bdicode.co.il/en/category/eng_bdicode.

1.2. ESG in Israeli Banking | Overview

Maala is a network comprised of Israel's largest companies addressing CSR issues, and has been working with most major players in the country in this field for over 20 years. Its project and activities include research and the compilation of professional information on CSR issues on the national level. Additionally, Maala is involved in the international discourse on CSR and SRI issues, and has been developing a global network of professionals to discuss, facilitate and develop pertinent issues in Israel. These provide Maala with a unique advantage in the field of Corporate Social Responsibility (CSR) in Israel.

Based on this extensive experience, Maala launched the [Gateway to Israeli CSR](#) project, and a series of sector profiles reviewing the ESG performance of Israeli businesses, the first of which is this banking sector profile. This section of the profile is a digest of our understanding of the development and current state of ESG in Israeli banking.

Israeli banks were among the first businesses in the Israeli economy to address ESG issues and manage their CSR policies. The very first CSR report to be published in the country was by Israel Discount Bank in 2005. Since this head start, banks have been continuously

prominent in their Maala ESG Rating scores (as detailed in [Chapter 2](#)). Even preceding a comprehensive understanding of CSR, the banking sector has been known in Israel for its philanthropic donations and support of communities and social projects, featuring the highest rate of contributions compared to all other sectors in the economy. While the overall median percentage of corporate donations by all public companies in Israel was 0.2% of their pretax profits (in 2016), and Maala ESG rated companies donated 0.4% of profit, banks reported contributions of 0.67% of pretax profits.

As will be detailed further in this document, regulation of the banking sector addresses some ESG issues, impacting the conduct of Israeli banks on these issues. Beyond complying with regulation, most banks take their activities further. Four of the five largest banks are members of [UN Global Compact](#), and four banks (3 of them are of the 5 largest banks), are rated by the TASE Maala CSR Index. The three largest banks are rated Platinum +, the top category of the index, as is reflected in the sector benchmark, featuring substantially higher rating scores to banks on the vast majority of issues, compared with the general benchmark of companies in all business sectors.

The Maala-GlobeScan Radar has been surveying the public perceptions in Israel with regard to business

conduct since 2014. Banks have been displaying a determined investment in their social license to operate, responding to issues highlighted by the survey and addressing the most important issues as conceived by public opinion. Their activities to promote social issues and projects, particularly focused on fair employment and diversity, are reflected in the Maala ESG Rating results, and in public trust.

After featuring very low ratings, the Maala GlobeScan Radar is showing that trust in banks has been on the rise over the past two years. Despite some recent shifts in emphasis between them, the general themes that have been continuously leading the expectations of Israelis from the banking sector include the costs of fees and commissions, fairness to customers and service in bank branches.

It is evident that some issues dominating the international discourse with regard to ESG policies in general, and banking in particular, are muted and almost absent in the local context. Most conspicuously, climate change is not usually mentioned in Israel in conjunction with the responsibilities or material issues of most business sectors, banking included. Generally, in addressing environmental issues, banks benefit from high ratings, indicating that

they had defined environmental management programs, published their environmental policies, set environmental efficiency goals and invested the required resources to achieve them. However, upon closer scrutiny, it emerges that issues defined as material by the banks in the environmental context, address primarily their operational aspects, rather than their credit and finance providing capacity.

Of course, it should be noted that while this report primarily address the conduct in the sector regarding issues beyond compliance, recently three Israeli banks have been implicated in investigations and other dealings with American authorities concerning money laundering allegations. Two of these banks have concluded their dealings with the authorities and one is still under discussion. All three banks report consequent extensive internal examination, review and revision of relevant ethical codes and action plans.⁴

1.3. Banking, Regulation and ESG

The Israeli banking sector is highly regulated, including regulations addressing ESG issues, which impact the performance of banks on these issues. Banks are required to publish CSR reports biennially,

reviewing their performance on the issues, and, although it is not always standard practice in Israeli corporations, all banks in Israel have an executive in charge of coordination, management and development of CSR issues.

Guidelines stipulate that banks in Israel must provide services to all citizens and residents of Israel, regardless of race, religion, gender or geographical area. Banking is available to all sectors and communities in Israel, including minorities, migrant workers, refugees etc., through an extensive deployment of banks countrywide. The five largest commercial public banks in Israel, employ together more than 45,000 people.

1.3.1. Banking Regulation Spotlights

[Appendix 1](#) lists ESG aspects in Israeli regulation, affecting business conduct across all sectors. Some highlights of legislation and regulations directly addressing the banks and financial corporations are detailed in this section.

Banking Regulation in Israel: Systemic Stability vs. Consumer Protection

In an [article](#) (in Hebrew) published by the Van Leer Jerusalem Institute, Ruth Plato-Shinar reviews the

complex arena of regulators that Israeli banks are subject to:

"Banking regulation is a very extensive field that is intended to regulate one of the dynamic and important systems of society and the economy. Banks in Israel are under strict regulation. The main regulator in charge of the banking system is the Supervisor of Banks at the Bank of Israel, whose authority spans the entirety of the banking system.

Additionally, banks are subject to a number of additional regulators: the Securities Authority – with regard to activity related to securities and investment advising; the Capital Market, Insurance and Saving Authority – concerning pension savings; the Antitrust Authority – that works to encourage competition in the economy, including with regard to financial issues; and others. In addition, banks are under a broad accountability and obligation to report to varied factors, such as the Israel Money Laundering and Terror Financing Prohibition Authority, factors abroad such as the American tax authorities and so forth. The banks are subject in all areas of their operations to a long line of laws, bylaws and obligatory directives by the various regulators."

4. The banks have addressed the issue in their report as follows:

- Bank Hapoalim: Annual Report 2017, p. 281-284. Available online at: www.bankhapoalim.co.il/finance/12001174e.pdf

- Bank Leumi: Annual Report 2016, p. 254. Available online at: english.leumi.co.il/static-files/10/LeumiEnglish/Financial_Statements/10001164e.pdf

- Mizrahi Tefahot Bank: Corporate Social Responsibility Report 2016, p. 118-119. Available online at: www.mizrahi-tefahot.co.il/Lists/BankMizrahiSiteAssets/PDF-English/31959%20doch_Int_ENG_biz1_Press%20Mail%20Int.pdf

Duty of Publication of a Corporate Social Responsibility Report for Banks and Credit Card Companies All banks in Israel are obligated to publish biennially a CSR report that reviews their performance in the area.

Caps on Salaries of Senior Executives in Financial Corporations and Banks in Particular

The law caps the salaries of senior executives in financial corporations, by applying the following restrictions:

- Salaries and compensations to executive costing more than NIS 2.5 million annually, necessitate a series of authorizations by the corporations' institutions, and in any case, compensation greater than 35 times that of the lowest paid employee in the corporation is not to be approved.
- Any salary exceeding NIS 2.5 million in costs annually, will not be a recognized accounting expense for the employer.

Law for Promotion of Competition and Reduction of Concentration The aim of the [law](#) is to reduce the extent of concentration in the Israeli economy and to increase competition, thus minimizing the cost of living. The main issues addressed by the law include

the prevention of cross-holdings in both financial and operational companies at the same time, as well as regulatory prevention of control of a public company by means of a control pyramid.

The law has three main aspects:

1. Considering market-wide concentration considerations as well as inter-industry competition considerations in assigning privileges;
2. Limiting control in pyramid-structure companies;
3. Distinction between significant operational corporations and significant financial bodies.

1.4. Bank of Israel Review | Israel's Banking System Annual Survey 2017

See the Introduction by the Supervisor of Banks to Israel's Banking System Annual Survey 2017 in [Appendix 2](#) and via [this link](#).

Banking has changed dramatically in recent years, influenced by the rapid technological changes in the financial world, and due to many regulatory measures. Business models have been adjusting to the changing world of technology, encouraging the assimilation of technology and innovation, improved efficiency and increased competition,

while managing the derived risks.

The number of employees in the banking system declined in 2016-7 by about 3,200. Yet efforts are made to improve service to the customers, focusing on advanced applications and digital tools for remote consumption of banking services. Fees for services provided through digital means have been lowered, as retail banking competition is intensifying.

Results of Israeli banks for 2017 and the beginning of 2018 show that the banking system features continuing growth of capital and liquidity and high quality of the credit portfolio. The banks continued to expand credit issued to the business sector, focusing on small and medium enterprises and supporting economic growth. Credit to large and leveraged borrowers declined significantly, and the banks internalized the lessons from the credit failures of such borrowers.

Following legislation, salaries of senior bank officials declined greatly. However, 2017 was characterized by an increase in dividend rates to shareholders of the banks, most of whom are among the broad public, and in an increase in the value of bank shares. There was a significant increase in the banks' market value

relative to book value (MV/BV), with the average value in the banking system reaching 0.96.

The Banking Supervision Department expects rapid changes to continue in the coming years, and aims to ensure the existence of a stable and competitive banking system over time to benefit the public.

1.5. Maalot S&P Global Ratings | Israel Banking Sector review | Sector Spotlight: 2017 Summary and Looking Ahead

See translation of Maalot S&P Global Rating's Sector Spotlight: 2017 Summary and Looking Ahead section on banks in [Appendix 3](#). The full text can be found via [this link](#) (Hebrew, pp 10-12). Please also see S&P Global Rating's document: Banking Industry Country Risk Assessment: Israel (January 2017, English), available via [this link](#).

S&P Global Maalot considers the performance of the Israeli economy since the 2008 crisis to be impressive, as the banking system increases its capital basis and present better results, as well as presenting significant improvement in the quality

and concentration of credit portfolios. Rating activities and forecasts have reflected these trends. Banks have less need to raise debt capital after reaching the required capital adequacy goals, and growth is observed in the rate of net profit dividend distribution, after years of low distribution rates. A shift of the credit mix in favor of households and the increase in intermarket spread in the mortgages market, have helped banks cope well with the low interest rate environment and the fierce competition over credit provision for the business sector. Nonetheless, accelerated regulatory efforts, intended to encourage competition, might adversely impact bank profitability in the future.

On the other hand, efficiency efforts are observed in most banks, partly resulting from the transition of clients to digital service channels. The improved efficiency as well as slow and gradual normalization of the interest and inflation environment, will help banks address a potential erosion of profitability in the area of households and small businesses.

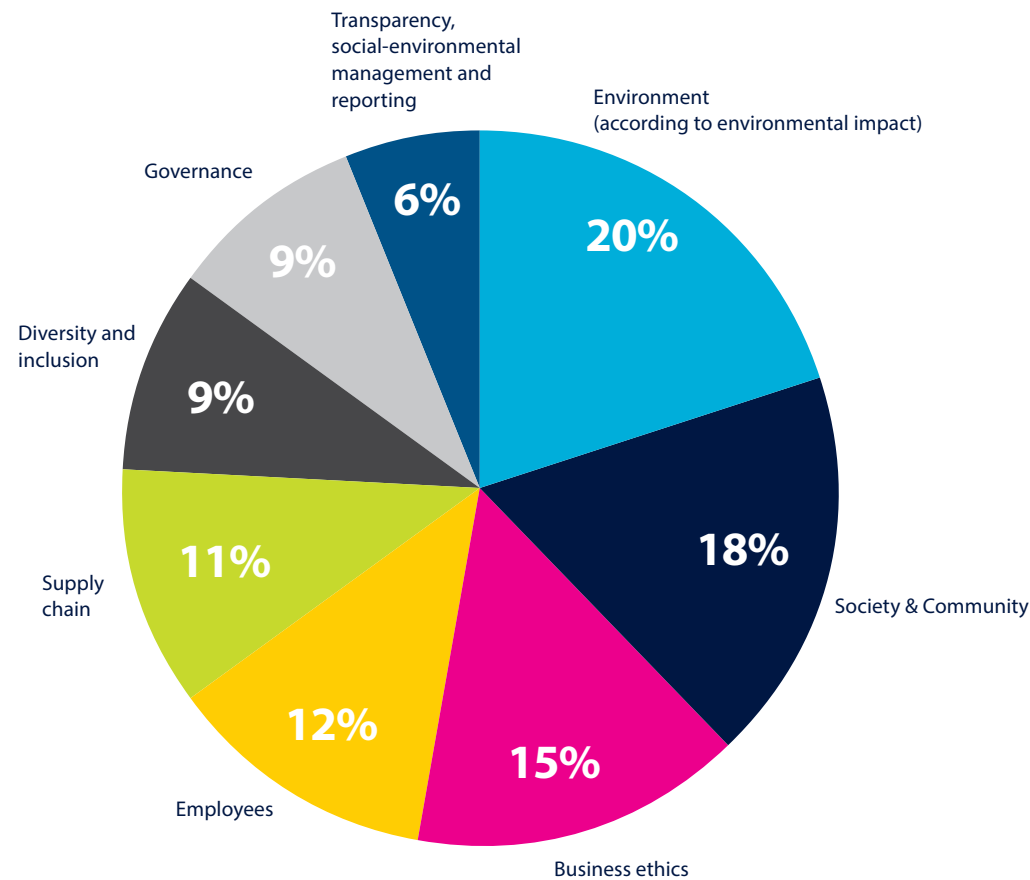
2. Ranking Israeli Banks According to ESG Aspects

Maala Rating Scores | Banks vs General Benchmark

2.1. Maala ESG Rating | Introduction

The [Maala ESG Rating](#), launched in 2003, is based on global ESG standards, addressing the 10 Global Compact principles, GRI criteria and other international indexes and measurements, while adapting them to the priorities of the Israeli market, as well as commonly acceptable working procedures in Israeli corporations. It annually rates around 25% of the 350 largest companies in Israel, serving as an internal management tool as well as an external benchmark for Israeli performance on Environmental, Social and Governance standards (ESG). Participating companies, which have demonstrated a remarkable willingness toward accountability and transparency, are then ranked within their categories of industry, size and ownership (public/private/state).

Weight of Issues in Maala Rating



The detailed surveys issued by Maala for the annual rating serve as a valuable resource for CSR professionals to report on the company's activities during the past year, to map gaps and set goals for improving CSR vis-a-vis Israeli standards, and to monitor their accountability over time.

Based on the annual rating, the Tel Aviv Stock Exchange (TASE) has created a family of SRI (Socially Responsible Investing) Indexes comprised of two Tel Bond Maala indexes (Tel Bond-Shekel MaalaSRI and Tel Bond-CPI Linked MaalaSRI) alongside the TA-Maala SRI Equity index. Since its launch in 2005, the TA-Maala index has outperformed the mainstream market indexes.

Maala rating criteria are determined by an independent public committee of experts, academics and representatives of civil society and the business sector, headed by the Chairman of the Tel Aviv Stock Exchange. Criteria are updated on a 2-3 year cycle through a stakeholder dialogue process, according to priorities and practice in Israel. Results are analyzed using a computerized model, with the exception of the environmental chapter, which is evaluated by GreenEye.

The benchmark in this document is based on the performance of companies rated by the 2017 Maala Rating, which refers to 2016 data. 128 leading Israeli corporations

(78 in the Maala Advanced Rating, 50 in the Maala Basic), including 4 banks, were included in the rating. Following are issue-focused comparisons of the performances of Maala rated banks, with those of all rated companies.

2.2. Business Ethics

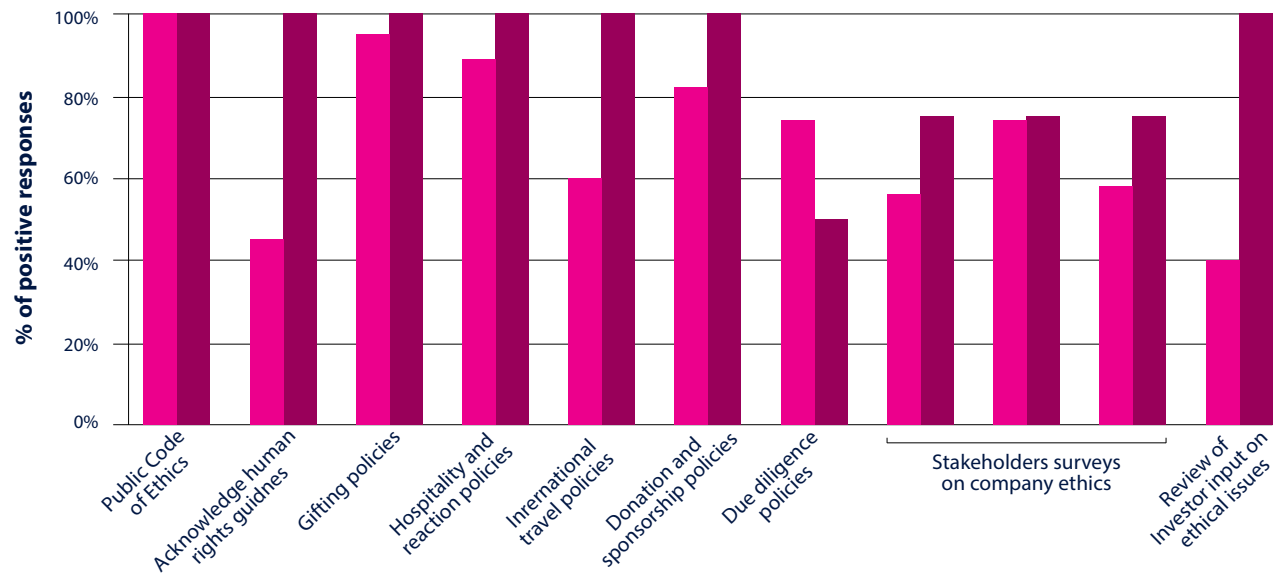
Outline:

The ethics section reviews the way companies conduct their Code of Ethics: whether such a code exists; is it made publically available; and the manner of its assimilation into company practices and operation. Companies are expected to evaluate their Code of Ethics by consulting with all stakeholders, including employees, customers, suppliers and investors. Additionally, the company's understanding of the UN Guiding Principles for Human Rights are addressed.

Insights:

As a rule, Israeli banks fare better on ethical issues than the general benchmark of Israeli companies, featuring much higher scores on most criteria.

- All rated banks are familiar with the international human rights guidelines.
- In light of the heavy anti-corruption regulations in the banking sector, all banks have documented published policies regarding gifting, hospitality expenses, donations and sponsorship etc.
- 75% of banks survey the attitudes of their clients, employees and suppliers at least biennially, regarding the conduct of the bank concerning various ethical issues. While this figure is higher than the general rating, there is still room for improvement on the issue considering its importance.



Key Questions Asked in Rating Process:

Ethical Aspects in Business Proceedings

Is there an Ethics Code that is publically published?

[Prerequisite question]

Is the company aware of current international human rights guidelines for businesses?

[such as the UN: [Guiding Principles on Business and Human Rights – Implementing the United Nations “Protect, Respect and Remedy” Framework](#), [Ruggie’s reports as UN Secretary-General’s Special Representative on business & human rights](#) and [UN “Protect, Respect, and Remedy” Framework](#), And OECD: Guidelines for Multinational Enterprises and Other Global Instruments for Corporate Responsibility [Background and Issues Paper](#) and 2001 [Annual Report](#).]

Does the company operate a compliance / ethics program, or policies/procedures intended for the prevention of corruption and bribery, which is accessible to all directors / managers / employees / consultants / business partners regarding the following:

- Receipt or gifting gifts and benefits
- Hospitality, cultural and recreational activities and expenses
- Inviting clients on business trips abroad, and the

types of expenses which can be remunerated.

- Donations, contributions and sponsorships
- Background checks and reliability of suppliers/ consultants and business partners, in particular those representing the organization externally
- Guidance to sub-agents in overseas activities.

Was a survey held in the past two years among the following stakeholders, which examined, among other issues, their stances regarding ethical aspects in the conduct of the company?

- employees and managers
- customers and consumers
- suppliers and sub-contractors
(asked In Supply Chain Chapter of questionnaire).

In the past two years, was a review held within the company of requests, recommendations, reviews, positions etc. of investor representatives, which has included an examination of their positions with regard to ethical aspects in the conduct of the company, and which findings had been presented before the management and board of directors?

2.3. Employees

Context:

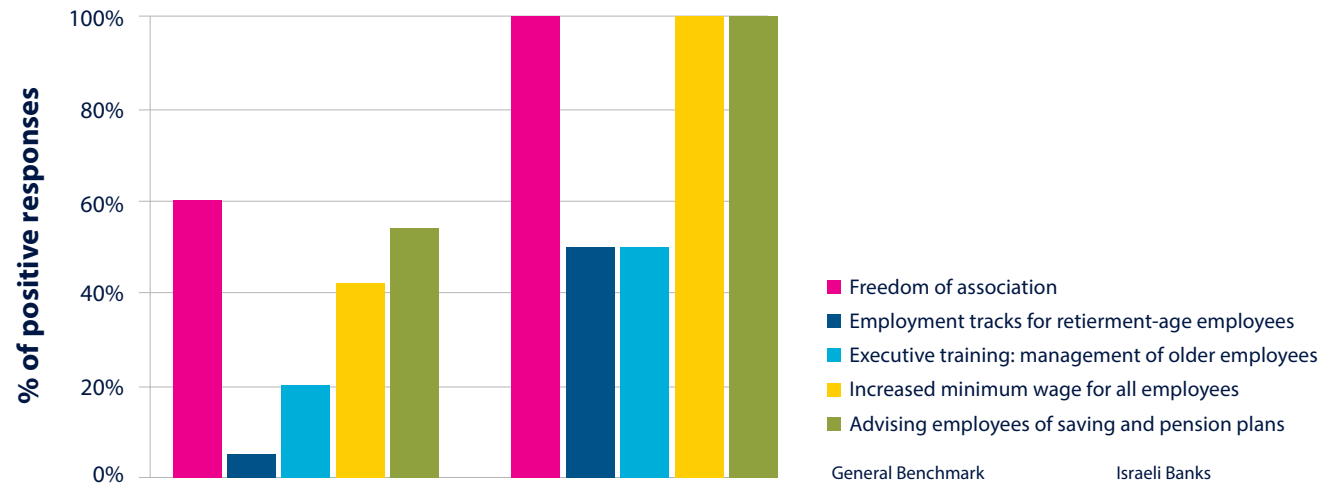
Israel has a collection of Protective Employment laws (otherwise known as "Shield Laws", addressing the employer's duty to provide his employees with minimal working conditions, addressing issues such as the length of the work day and work week, salary protection, holiday rights, payed sick leave and minimum wage, minimal working age etc. (See more info on relevant Israeli labor legislation in [Appendix 1](#)).

Outline:

When examining human capital in banks, numerous aspects of employee management, working relations and welfare are reviewed. starting with compliance with protective employment laws "shield laws": working hours, mandatory social benefits etc.), and onto investment in professional and personal development of employees, addressing work-life balance, welfare activities, promoting wellbeing, supporting low wage employees as well as addressing retirement and employment termination issues.

Insights:

On issues concerning human capital and the management of its human resources, Israeli banks



rank better across the board than other rated Israeli companies.

- All bank employees are unionized, compared to approximately 60% in other rated companies.
- 50% of banks present employment tracks for employees post their retirement age, if they are interested. Other sectors feature much lower figures.
- All banks define an internal minimum wage which is higher than the legally required minimum, compared to only 42% of all other rated companies.
- Banks also assist and consult their employees regarding savings and pension plans, while only about half of all other rated companies do.

Additional info:

Convictions regarding offenses under Protective Employment laws ("Shield Laws")

General Benchmark:

6% of companies

Banks (in 2016):

One bank was convicted for violating Protective Employment law.

Two banks are under review and/or investigation. (One bank not involved in any legal proceeding regarding this issue.)

Key Questions Asked in Rating Process:

Workplace relations, welfare and work-life balance

Were legal proceedings taken against the company concerning violations of protective employment laws ("shield laws") in the past year? If so please provide details.

Is there unionization of employees in the company?

- If yes – are there procedures and guidelines for senior, mid-level and HR managers with regard to the employer's leeway in an environment in which a union operates?
- If No – are there procedures and guidelines for senior and mid-level managers regarding legal rulings and legislation regulating the employer's leeway with regard to the unionizing of employees in various stages of the process?

Procedures for development, promotion and career development (lifelong learning) of employees.

- Is there a policy and/or guidelines in place regarding the promotion and professional development of employees in all ranks?
- What percentage of employees have undergone training in the past year that might contribute to their

promotion and/or professional development in the organization?

- What percentage of employees have undergone training and learning processes in the past year which develop general skills for advancement in the marketplace, regardless of specific needs of the employees role in the company?
- What is the percentage of employees that have been promoted within the organization in the past year?

In preparation for the retirement of pension-age employees, please detail which of the following procedures is promoted by the company:

- Provision of knowledge and useful information on the entirety of aspects pertinent to the employee's life after retirement, such as: fiscal resources and budgeting during retirement, national social security rights, pension rights and aspects of taxation, volunteer organizations, learning and recreation opportunities, psychological aspects and coping mechanisms in case of crisis, and so forth.
- Options for gradual transitioning to working part time / flexible hours / shift work.
- Options for continued employment post-retirement (as employee/consultant).
- Opening employment tracks for retirement-age employees.
- Manager training regarding the management of

older/pre-retirement employees.

- Recreation and other activities for retired company pensioners.
- Other

Please detail which actions are taken by the company in order to improve the lifestyles or support the dignity of employees in the lower wage level of the company (lists 12 items including):

- Offering loans under favorable terms by the company
- Crises assistance fund
- Consultation and training for proper personal / family economic conduct
- Increased minimum wage
- Consultation in the construction of savings and pension plans.

2.4. Diversity

Gender Representation

Context:

There are several population groups in Israel which display high rates of underemployment. These are primarily the Arab and the Jewish ultra-orthodox (Haredi) communities. The State of Israel, in its policy aiming to increase employment participation in general, had set particular targets for these populations.

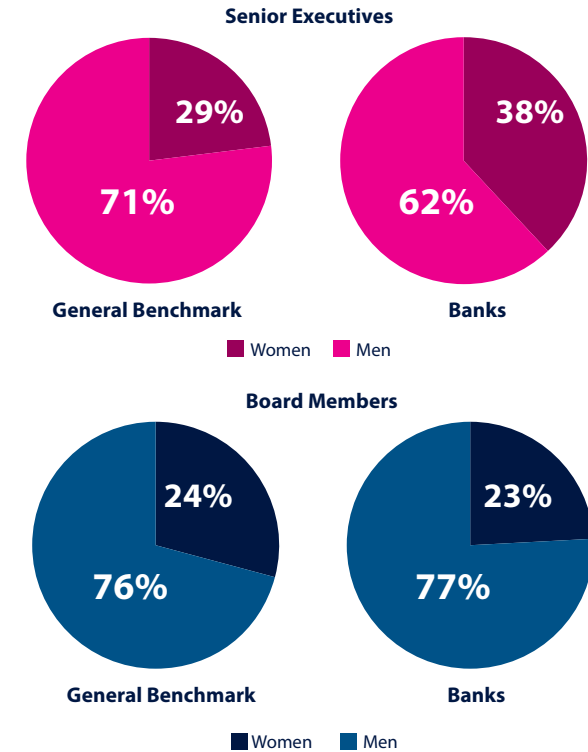
Additional underemployed population groups include people with disabilities and Israeli of Ethiopian origin. According to data adapted for Maala by the Myers-JDC-Brookdale Institute from Israel Central Bureau of Statistics data (in 2015), these are the representations of these groups in the general Israeli workforce: Arabs: 12.6%; Haredi: 5.2%; people with disabilities: 4.3%; Israelis of Ethiopian origin: 1.2%.

Outline:

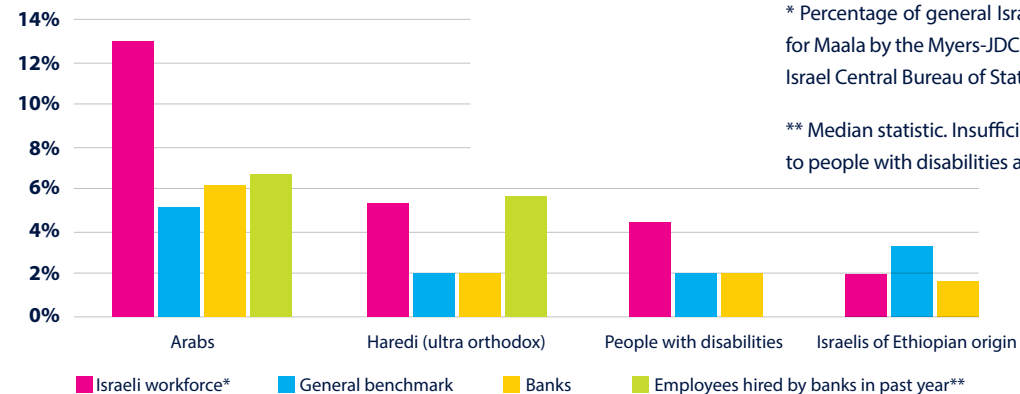
Regarding diversity, companies are requested to report whether they have policies intending to address diversity and inclusion; the rate of representation of women among senior officers in the company, as well as its board members; and the representation of underemployed populations among its employees.

Insights:

- The representation of women in senior executive positions, at 38%, is significantly higher than other companies, where representations averages at 29% only.
- However, the representation of women on the boards of directors of banks is similar to that observed in other sectors, at 23% women of all board members.
- The rate of employees from under-employed populations in Israel (Arabs, Haredi, people with disabilities) in banks is similar to that of other sectors. 6% of total employees are Arabs, 2% Haredi and 2% are employees with disabilities.



Employment of Minorities and Underemployed Populations



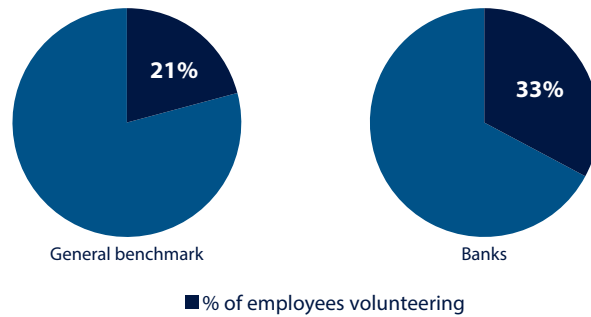
* Percentage of general Israeli workforce data – adapted for Maala by the Myers-JDC-Brookdale Institute, based on Israel Central Bureau of Statistics data (2015)⁵.

** Median statistic. Insufficient data available with regard to people with disabilities and Israelis of Ethiopian origin.

5. Labour Force Survey 2015, Central Bureau of Statistics, available online at: www.cbs.gov.il/webpub/pub/text_page_eng.html?publ=68&CYear=2015&CMonth=1

2.5. Society and Community

Volunteering



Corporate Giving

Corporate Giving (2016)

(% of pre-tax income)

Banks: 0.67% | General Benchmark 0.4%

(All listed companies in Israel)

Bank Name	Corporate Giving 2017* (Thousands, NIS)	NIS (% of pretax income)
Bank Hapoalim	43,000	0.92%
Bank Leumi	33,000*	0.74%*
Israel Discount Bank	13,146	0.64%
Mizrahi Tefahot Bank	14,000*	0.67%*
FIBI (First International Bank of Israel)	3,000	0.29%
Union Bank	750	0.37%
Jerusalem Bank	NA	
Dexia Israel	100	0.14%

* In cases where 2017 data was not available at the time of compiling this report, 2016 data was provided and denoted.

Outline:

Regarding social and community related issues, companies are requested to report the levels of their philanthropic contributions and the rate of volunteerism among their employees.

Insights:

- The overall median percentage of corporate donation by banks is 0.67% of their pretax profit, compared to the contribution of 0.4% of profit by other rated companies, and 0.2% of all public companies in Israel.
- 33% of bank employees have done volunteer work during 2016. In other sectors, the median percentage of volunteers was 21%.

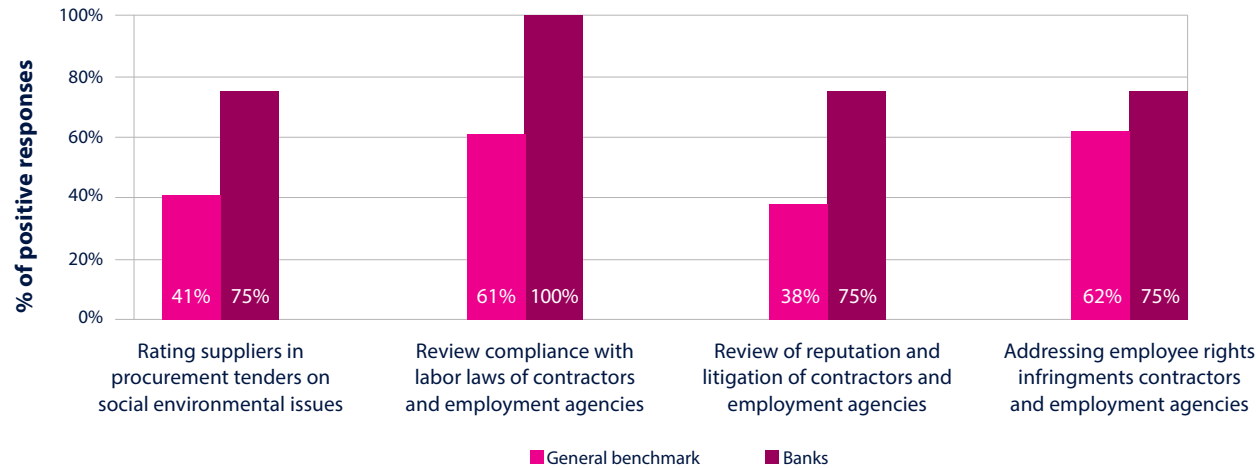
2.6. Supply Chain

Context:

Following numerous cases over the years, of severe violations of the legal rights of workers employed via employment agencies and personnel contractors, a review of these contractors is considered material to the evaluation of the supply chain. Companies are required to ensure their personnel contractors and employment agencies comply with minimum wage and other pertinent legislation. (More information is available in the Labor and Employment Legislation section of [Appendix 1: ESG Aspects in Israeli Regulation](#))

Outline:

Companies partaking in the Maala rating process are asked to present a clear and transparent procurement policy, which includes the integration of social and environmental considerations into the procurement process. Additionally reviewed are the establishment of mechanisms supervising the company's payment ethic; their investment in suppliers by various means; etc.



Insights:

Banks in Israel present good levels of management of their supply chains, compared with other sectors, regarding the wages of workers employed via contractors and employment agencies, and are proactively identifying and addressing any mishaps.

Key Questions Asked in Rating Process:

Responsibility in Procurement

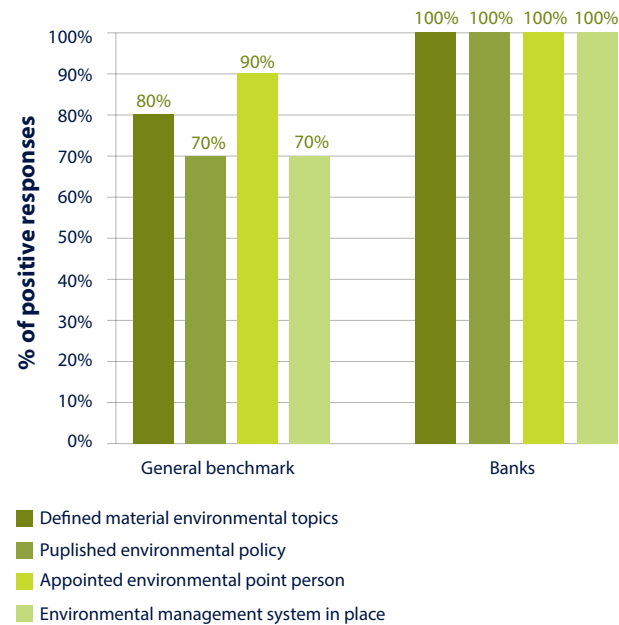
- Does the company's procurement policy include prerequisite minimal terms for suppliers?
- Does the procurement policy include reference to the promotion of social environmental issues such as
 - Small and medium businesses
 - Preference of underemployed populations
 - Periphery

- Israeli
- Social businesses
- Green procurement
- Has the company conducted a review in the past two years to ensure that most of its employment agencies/service contractors strictly adhere to labor laws?
- What are the proactive processes applied by the company in order to prevent and discover bribery in agreements with third parties such as agents, brokers, consultants, distributors, representative, suppliers

and business partners?

- Do procurement tenders score the suppliers' CSR performance, in accordance with social-environmental priorities that have been determined by the company beyond its procurement policy prerequisites (such as employment of underemployed populations, domestic procurement, green procurement – improved environmental performance).

2.7. Environment



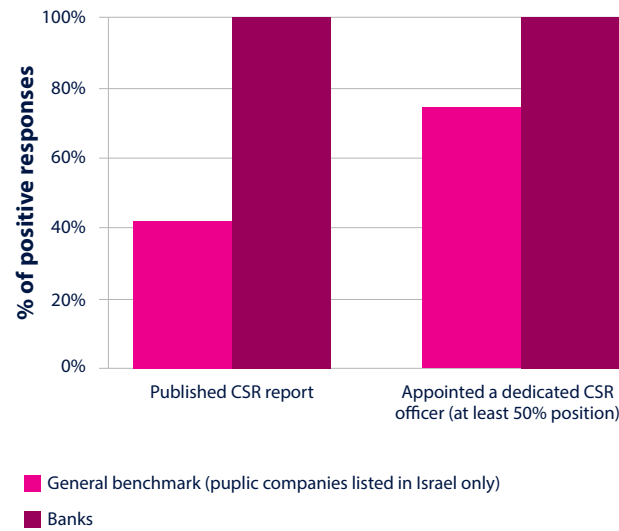
Outline:

The Maala Rating examines the channels in which the largest companies in the Israeli economy have been investing, in order to improve their environmental efficiency and performance over time, and generate a positive environmental impact. In the main section of the environmental chapter, the companies are requested to describe material processes and projects that aim to mitigate negative environmental impacts and motivate positive environmental processes.

Insights:

The rating data indicates that Israeli banks continue to present high commitment for the improvement of their environmental performance, by setting necessary goals and investing the resources required to achieve them. The most prominent issues featured in banks' reports this past year, are internal environmental efficiency measures, such as substantial reductions in water consumption in bank branches, continuous reduction in paper usage and a gradual transition to paperless branches. About 75% of banks report about comprehensive projects undertaken in full deployment dedicated these issues, in addition to energy efficiency measures that have been applied and meeting targets for several years. All banks offer options for either full or partial interaction by digital means with their customers. However, upon closer scrutiny, it emerges that issues defined as material by the banks in the environmental context, address primarily their operational aspects, rather than their credit and finance providing capacity.

2.8. CSR Management



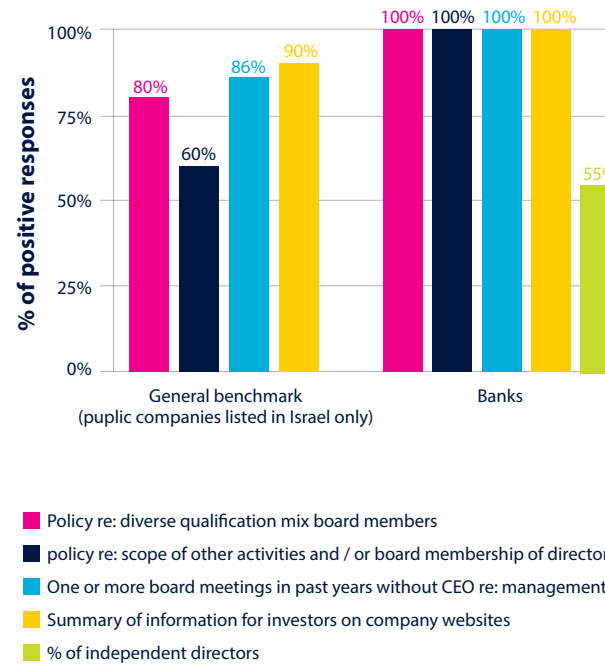
Outline:

Companies are asked to review their management of CSR, and aspects of transparency as are expressed in the publication of CSR reports.

Insights:

Banks are subject to obligatory regulation by the Bank of Israel, and therefore present a perfect score regarding the publication of a CSR report, far higher than the general benchmark. Their dedication to CSR issues is further reflected by appointing a professional dedicated to the management of CSR in the company.

2.9. Governance



Outline:

This section examines the level of independence of the company's board of directors.

Insights:

As expected by the heavily regulated environment in which they operate, the banking sector features a higher level of corporate governance than the Maala rating general benchmark.

Key Questions Asked in Rating Process:

Corporate Governance

- Does the company have policy/guidelines regarding its board of directors:
 - For diversification of board members in accordance with the required capabilities for its business activities, risks etc.
 - Diversity with regard to populations such as women, Haredi (ultra orthodox), ethnic background etc.
- Is there a policy addressing the accumulative skill mix required among board members?
- Is there a guiding policy with regard to a maximal number of boards on which one is a member, and/or other duties of the board member?
- Has one or more board meetings taken place in the past year to discuss management issues of the company, in which the CEO and his subordinated were not present?
- Does the company website include the concentration of information relevant to investors, including: board members, senior management, financial reports and any other relevant information?

3. Public Perceptions

3.1. Maala-Globescan Radar | Introduction

The **Maala-GlobeScan Radar** is an annual survey of public expectations from businesses and institutions, and has been conducted and published in Israel consecutively since 2014. The Israeli survey questions have been adapted from the international [GlobeScan Radar](#) methodology by **Rotem AR Advanced Marketing Research**, and in February-March 2018 surveyed a representative sample of 1004 adult Israelis. It links between public expectations and the businesses' social license to operate – a term Maala considers to embody a component of legitimacy awarded by the public to any business, beyond formal regulations and licensing; requiring constant attention and investment.

As it is associated with the work undertaken by GlobeScan Radar internationally, a review of Maala-Globescan enables some delicate understandings of unique Israeli perceptions with regard to trust in local and international institutions and expectations from particular business sectors. In the context of the banking sector, this provides a certain perspective on the conduct of banks as influenced by their immediate stakeholders' perceptions of their role, differing from

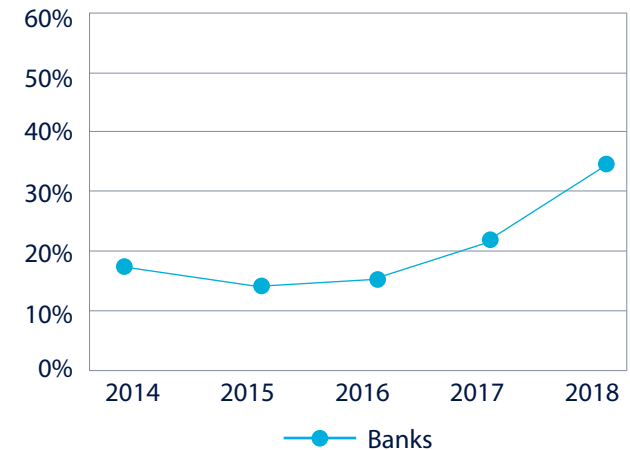
those of investors and regulators. For instance, in addressing and responding to challenges prioritized by the global agenda, it has been evident throughout the years of conducting the Maala-GlobeScan Survey, that while globally the UN enjoys relative trust, in Israel it has been repeatedly at the bottom of the trust scale.

In 2018, Israelis still identify the cost of living as the primary factor of impact on their quality of life. It is interesting to note that in the public evaluation of the role of banks in this regard, a very narrow prism is considered. Banks are assessed for the costs of fees and commissions; but the public does not seem to acknowledge their macro-scale roles in the Israeli economy: addressing economic growth and development, supporting SMEs, creating jobs, etc. As micro-issues dominate the domestic public discourse with regard to banking, the attention of banks is diverted to address these issues more closely, as reflected in their policies.

This is somewhat contradictory to a continuing trend of associating a trustworthy business sector with having a positive contribution to the quality of life. Businesses are

expected to promote a social purpose, and not merely a reduction of prices. In the banking sector this is still not the case, as explained above, although there is an evident decline in the emphasis the public attributes to the costs of fees and commissions and a rise of the importance of fairness.

3.2. Public Trust Public Trust – 2014-2018



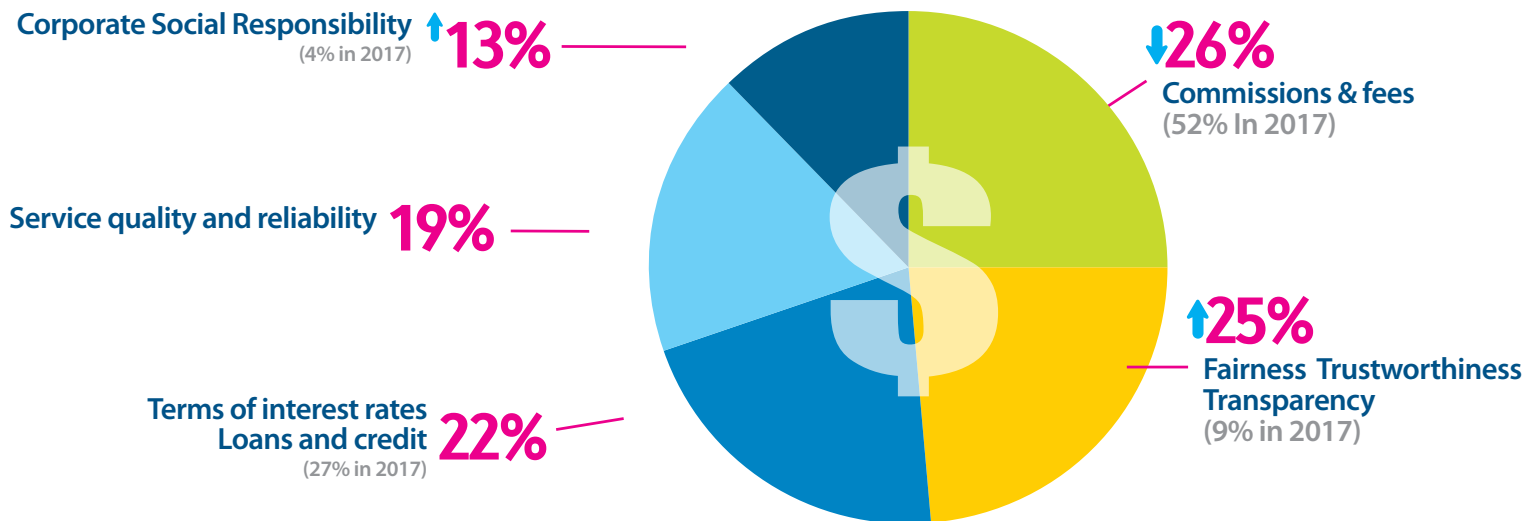
As is clearly evident from the above graph, trust in the Israeli banking sector is on a positive upward trend. The first Maala-GlobeScan Radar in 2014 indicated that banks were not afforded a high level of public trust. The banking sector was ranked second to last with 18% (slightly higher than the food sector, 14%). Issues identified as primary factors in this regard, across all business sectors, related to product prices and fairness.

Banks fared even worse in 2015 and 2016, with a slight decline of public trust down to 14% and 15% respectively; but have managed to turn perceptions around, and their results improved significantly – growing to 23% in 2017, and again to 34% in 2018.

The shift in perception is apparently the result of dedicated efforts. Israeli banks have been attentive

and responsive to public perceptions with regard to their conduct, by addressing the important issues as conceived by public opinion and promoting social issues and projects. It should be noted that generally over this period of time, the public appears to have more trust in business, with trust levels in large Israeli companies gradually increasing from 25% to 46% between 2014 and 2018.

3.3. Public Perception of Important Issues in Banking



* The total adds up to more than 100%, as survey responders were able to provide multiple responses.

Israeli banks are not naturally associated as a contributor to the improvement of the quality of life, an issue that ranks high in the notion the Israeli public attributes to businesses they consider to be trustworthy.

The costs of banking fees and commissions has been a clear outstanding frontrunner on the list of issues most troubling consumers with regard to the banking sector, varying between 44% to 54% in the years 2014-2017. The 2018 Maala-Globescan Radar saw a dramatic plummeting of these figures to only 26%, on par with transparency, an issue that had soared to 25% from a mere 9% last year. Another issue rising in public

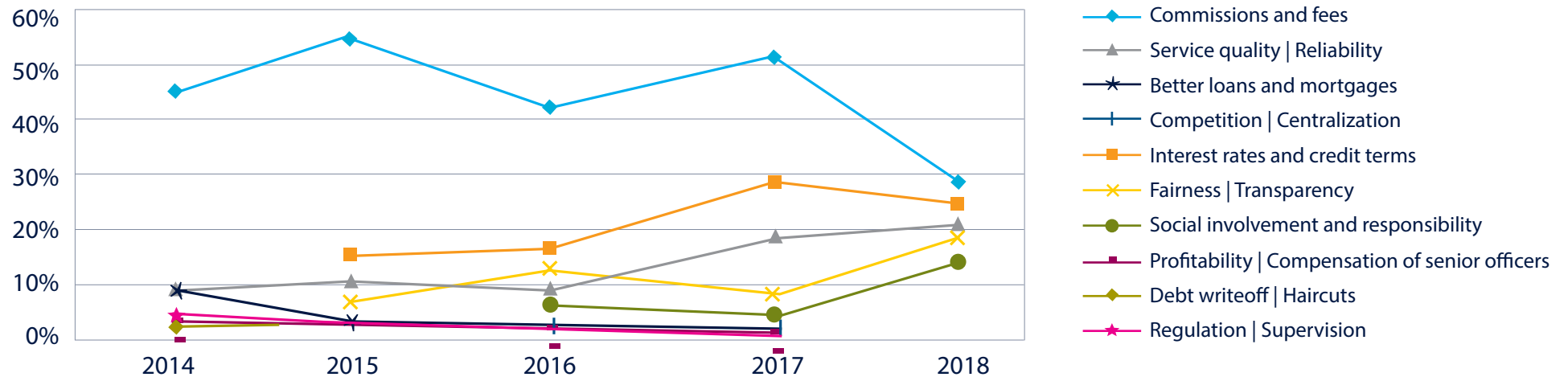
attention is that of service, which relates to recent closing down of bank branches countrywide.

The variations in public consideration of the most important issues in banking, somehow still do not include more macro-economic issues as might have been expected. The Israeli public continues to evaluate banks on a micro-activity level, rather than addressing or expecting goals such as economic growth or supporting SMEs to be inherent to banking activities. Another stark absence in the list is that of pensions. Although characterized as one of the most important issues for the public in general,

behind the cost of living and education, with 45%, (in 2016) this importance still fails to translate to the realm of banking.

It should be noted that climate change is not an issue considered of great importance for the operations of most business sectors (including banks). Overall the Israeli public is much more focused on inclusive growth issues and inequality, rather than climate change.

Important Issues in Banking by Public Perception 2014-2018



4. Spotlights

Examples and Projects

This section presents noteworthy examples of projects undertaken in the field. The following summaries have been edited from the banks' CSR Reports. For the full stories please see the reports via the links provided.

Poalim for Recovery | Bank Hapoalim

A Fiscal empowerment program for bank customers | Restructuring debts through dialogue with the bank

The Poalim for Recovery program is designed to assist private customers who have been financially struggling on the road to recovery, aiming to retain them as customers. The process emphasizes cooperation and empowerment, using a variety of advanced processes and tools. It provides customers with qualitative professional consultation while maintaining their financial freedom and responding to their needs and preferences. The service is tailored to each customer, adapting the process to the characteristics of their activity and their financial abilities.

The program was first implemented in private banking departments in 2015, and during 2016 training

programs were developed in aim to continue the project in both business and private departments. By 2017 more than 50,000 customers participated in the program and restructured the debts by a process of dialogue with their bank.

More info: [Bank Hapoalim Sustainability Report 2016](#)

Merger of Arab-Israel Bank | Bank Leumi

An intensive merger plan of two banks | Addressing challenges of complex cultural and business environments

During 2016, the Arab-Israel Bank was merged into Bank Leumi in an intensive process, as part of the Group's streamlining plan. The merger process required careful planning and sensitivity, addressing numerous challenges, as the two banks varied in their business and cultural environments, with customers and employees of the Arab-Israel Bank's 40 branches used to different practices, work routines and engagement with customers than those of Leumi.

All employees underwent comprehensive professional training, with additional support available to them in connection with "softer" aspects of change management and adaptation. A detailed plan addressed three aspects of the merger: professional knowledge gaps; establishing a positive attitude toward the merger; and a conceptual-mental aspects.

The merger process started with a celebratory launch meeting and progressed gradually, branch after branch, with continual support by the integration team and the bank's HR team, using the plan devised as well offering ad-hoc solutions to any problem, question and query, from technical issues, via knowledge gaps, to workload and other frustrations. Branches of the two merging banks were twinned. At the end of this intensive process, Arab-Israel Bank employees are now employed by Leumi, offering them new opportunities and mobilization potential, as well as cultural and other activities.

More info: [Corporate Social Responsibility Report 2016](#)

Employment Diversity | Israel Discount Bank

Employing a team of Haredi women

Since 2013, a team of Haredi (ultra-orthodox) female employees is employed by the online banking unit and call center (TeleBank). The team responds to customer phone calls regarding diverse banking matters. In preparation for the formation of this team, the Bank consulted with a Rabbi, and upon his instructions the Bank adapted the work environment for the women and their religious-cultural needs, including equipment, logistics and separation. Transportation is also being provided for their daily commute.

Most candidates applying for a job on this team have no prior employment background or experience, and are trained and educated by the Bank on relevant banking issues. The Haredi employees, like other employees of the call center, are on a temporary employment contract. At the time the Bank's CSR report was composed, the team included seven employees, who were reported to fulfill the duties assigned to them and integrate successfully with the staff. It was noted that the Bank is actively seeking to expand the team.

More info: [Corporate Responsibility Report 2016](#)

Money Road | Mizrahi Tefahot Bank

Promoting financial education online

The Money Road training kit is a program that provides youth with education and training on financial issues. This kit is available on the bank's website, to assist a wider audience of teachers, instructors, counselors, advisors and others, who can study the kit's contents, and use it to train youth and young adults.

In 2014, the Money Road training kit was translated into Arabic, in cooperation with the Israel Association of Community Centers, making it far more easily accessible for Arab youths, and put to practice in a pilot program held in 8 Arab Israeli towns during 2015, training Arab youths on the kit's featured financial issues. Lessons from this pilot were introduced into the kit before its publication online in 2016.

In 2016, the Money Road kit was also introduced and taught to high school youth groups, by students who were awarded tuition scholarships by the bank.

More info: [Corporate Social Responsibility 2016](#)

Appendix 1: ESG Aspects in Israeli Regulation

The State of Israel has numerous laws and regulations addressing various ESG aspects, though they are not featured under any one comprehensive framework, nor titled as ESG/CSR legislation. The following is a list of key legislation on pertinent issues, intended to provide a context of the regulatory environment all business sectors in Israel, including banking, operate under.

In addition to these general examples, some spotlights into specific regulations for the banking and finance sector are presented in section 1.2.2: Banking Regulation Spotlights

Israel Securities Authority Regulations for Public Companies in Israel⁶

Reporting Obligations of Public Companies on Environmental Issues

All public companies have an obligation of disclosure on environmental issues, both in the framework of the description of the corporation and its business environment, and in the framework of the corporation's risk factors; legal proceedings that have been filed and other legal and administrative proceedings; anticipated

environmental investments; legal environment; fundamental events and others.

Labor and Employment Related Legislation⁷

Collective Bargaining Agreements

Freedom of association is a basic right in Israel. Worker unionization is a proven way of enforcing employee rights and the improvement of their working conditions. In Israel there are several active general employee/trade unions, and recent years have seen a substantial growth in the number of employees unionizing in their work places.

Employment via Employment Agencies/Personnel Contractors

The law defines the rights of workers employed by employment agencies and the duties of their employers (both the agencies/contractors and the employers in practice).

This law distinguishes between a personnel contractor (employment agency) and a service-providing contractor:

- Personnel contractor – provides personnel to an employer for the purpose of performing work that is

part of the employers' regular activity.

- Service contractor – provides personnel to an employer for the purpose of performing a defined service (such as security/guarding or cleaning) which is distinguished from the employers' main activity.
- According to item 1 and the second addition to the law, a service contractor is defined as a service provider in the field of security and guarding and in the field of cleaning.

For example: a contractor supplying a factory with a worker to perform as a receptionist is a personnel contractor, whereas a contractor supplying an employee to the same factory to serve as a security guard is a service contractor.

Increased Enforcement of Labor Legislation

This law aims to make enforcement of labor laws more robust and effective, by using an administrative procedure of fiscal sanctions onto employers and service customers, as well as by defining the civil and criminal responsibility of service customers, while intervening in the contract

6. An English version of the Israel Securities Regulations (1970) is available online at: www.isa.gov.il/sites/ISAEng/1485/1497/Documents/IsaFile_6155.pdf

7. Employment legislation information was compiled from the Hebrew version of Kol Zchut – All Your Rights website – Information about rights and entitlements in Israel; supported by the Ministries of Justice and Social Equality (Digital Israel) and JDC Israel. Available online at: www.kolzchut.org.il/en/

between those ordering the service and the employer.

Notification to Employees and Candidates (Working Conditions and Processes of Recruitment and Hiring)

The law of notification to an employee, obligates the employers to specify to the employee the social rights to which they are entitled within 30 days of start of employment. The law intends to negate the ambiguity in salary slips and employment contracts with regard to the terms of employment.

Payment during Illness (Absence Due to Sickness of Child, Spouse or Parent) This law stipulates that an employee is entitled to attribute up to 6 days of work-absence due to sickness of their child, parent, either their own or their spouse's, at the expense of their own accumulated paid sick leave.

Prayer Time at Work

All employees in Israel are entitled to pray during their work day in accordance with their religious practices. The prayer time will be determined at the workplace in accordance with the needs and constraints of the job, and in consideration of the employee's religious

obligations. In some cases, an employee who does not pray at the workplace is permitted to be late for work due to morning prayers.

The Rights of Foreign Workers

Foreign workers employed in Israel are entitled to employment social and personal rights, as well as protection from exploitation by employers:

- General rights – basic rights of foreign workers, as residents of Israel.
- Employment terms – foreign workers are entitled to the same employment conditions to which Israeli employees are entitled, and due to their special status in Israel, are also entitled to unique privileges that regularize their stay in the country.
- Health – the law in Israel obligates the arrangement of medical insurance for foreign workers, which would ensure their medical rights during their stay in the country.

Compensation at Termination of Employment

This law stipulates that an employer must compensate an employee whose employment was terminated by the employer. The compensations are paid to the employee at the time of their dismissal, as compensation for the loss of income, and at times

are part of a retirement grant awarded due to work termination.

Equal Pay for Male and Female Employees

The law intends to promote equality and prevent discrimination between genders with regard to salary or any other work related compensation. The law stipulates that a female employee and a male employee working for the same employer, are entitled to equal salaries for equal work, work that is equal in essence, and work of equal value.

Equal Opportunities at Work

The Law of Equal Opportunities forbids any employer from discriminating against any employee or candidate due to various features detailed in the law: gender, sexual orientation, personal status, pregnancy, fertility treatments, in vitro fertility treatments, parenthood, age, race, religion, nationality, country of origin, place of residence, world view, political party membership and military reserves service.

Equal Opportunities for People with Disabilities

The Law of Equal Opportunities for People with Disabilities intends to protect the dignity and freedom

of any person with disability; anchor their right of equal and active participation in society in all aspects of life; and provide adequate response to their special needs, in a way that would enable them to live their life with maximal independence, in privacy and honorably, fully living up to their potential.

Extension Order for the Employment of People with Disabilities⁸

The extension order aims to implement the adequate representation of people with disabilities in employment, by mandating the employment of people with disabilities at a rate of 2% of employees by October 2015, and 3% by October 2016. This obligation applied to employers of 100

workers or more.

The Right to Work While Sitting

The employer must provide sitting to employees, and to enable them to work while sitting down, except for special cases in which the nature of the work does not enable sitting. The employer is obligated to provide sitting for employees also during work breaks.

Comprehensive Pension Insurance in the Economy

All salaried employees in Israel are entitled to a retirement pension, necessitating employers to set aside a percentage of wages to pension funds.

8. Integration of People with Disabilities in the Workplace – The Full Employers' Guidebook. May 2015. The Headquarters for Integration of People with Disabilities in the Workplace in collaboration with JDC Israel-TEVET. (Hebrew). Available online at: employment.molsa.gov.il/Publications/Publications/DocLib/disabilityemploymentguide2017.pdf

Appendix 2: Bank of Israel Review

Israel's Banking System Annual Survey 2017

The following text is an introduction by Dr. Hedva Ber, Supervisor of Banks to Israel's Banking System Annual Survey for 2017, available on the Bank of Israel website via [this link](#). The full Review is available in Hebrew via [this link](#).

Banking in Israel and abroad has changed dramatically in recent years, influenced by the rapid technological changes in the financial world, and due to the many regulatory measures currently being implemented. In the coming years, we can expect the rapid changes to continue.

Globally, assessments are that by 2025 technology will replace a large proportion of the banking workforce.

Even now there are areas of banking where technology has rendered many employees superfluous. To illustrate, banking applications have replaced many of the payment actions that had been executed by employees in the areas of transfers and checks, and these changes are lowering the fees paid by the public, as well as banks' revenue from the payments field. There is significantly less need for tellers in the interface with customers than

to the expanded field of banking transactions that can be executed by automatic means and the entry of user-friendly banking applications. The banks are making investment counseling and portfolio management fully or partially robotic, which is reducing the need for employees and making it possible to provide investment counseling at a lower cost to a much broader population, including customers with few financial assets. A trend to replace manpower with technology has also begun in the banks' backroom operations, including automation and artificial intelligence. Lastly, there is increasing use of statistical models in the provision of credit to households and small enterprises, which dramatically shorten the work process. Technology is having an impact, and will continue to influence, the banks' expenses and income, and it is changing the face of banking. Consumer demand for more convenient and faster digital services is spurring these changes, and technology is making them possible.

In view of the changes in the banks' operating environment, the Banking Supervision Department has been acting in recent years to reach additional goals alongside its continuing work to maintain the banks' stability. Following the Global Financial

Crisis, the Department has placed special emphasis on strengthening the banks' stability and on implementing the insights gained from the Crisis. In the past three years, the Department has also emphasized the need to **adjust the banks' business models** to the changing world of technology, while encouraging **the assimilation of technology and innovation, improved efficiency, and increased competition**. At the same time, the Department is adjusting the requirements to strengthen management of the large risks derived from the changing world of technology (cyber risks, business continuity, and information leakage), compliance risks, and the increasing risk in the field of household credit.

The banks' results for 2017 and the beginning of 2018 show that the banking system is undergoing a deep change, and the goals being advanced by the Banking Supervision Department are already being reflected in the field.

In addition to the continuing growth of capital and liquidity and the high quality of the credit portfolio:

The banks are showing a continued improvement in their efficiency—as a result of reduced manpower, branches and real estate, and of changes in organizational

9. The latest most updated Bank of Israel report available at the time of compiling this document is for 2016. We find this report to be relevant, providing good understanding of the expectations of the regulator from Israeli banks.

structures and procedures, following a directive issued by the Banking Supervision Department and incentives that it provides for streamlining. The number of employees in the banking system declined in 2016–7 by about 3,200. These changes are not easy for the banks' managements or employees—people who have contributed much to banking in recent decades—but they must be made so that the banks will be able to adjust their business models to the new technological-competitive world, and so that the customers will be able to receive more competitive service.

The banks are investing in innovation and digital transformation in order to improve their service to the customers. In the past year, advanced payment applications and new and more convenient digital tools were offered for remote consumption of banking services. These provide customers with a means of responsible financial management, and allow them to save time (going to branches and waiting in line) as well as money. The banks have lowered fees for services provided through digital means, following a requirement published by the Banking Supervision Department that came into effect in November 2017. Some of the innovation is developed in cooperation with fintech companies.

Retail banking competition is increasing, which is

already being reflected in a number of aspects, chiefly in consumer credit. The number of alternatives open to the public has expanded, and consumers can already take out consumer credit from all banks—not just the bank where the customer's current account is managed—as well as from credit card companies and other nonbank entities, some of which are new. As a result, the banks' weight in the provision of consumer credit is declining, and today, about 20 percent of consumer credit is not taken from banks. In addition, competition between the mid-sized banks and the large banks is intensifying. There is lively competition over digital innovation, as a result of which service to the customer is improving, and competition in the payments area is also increasing, which is reflected in lower fees paid by business in the settlements area among other things. Competition in household and small enterprise banking is expected to continue intensifying in the coming years, based on technology and in view of large projects currently being advanced.

In addition to these major changes, the data show that in 2017 and the beginning of 2018, the banks continued to expand credit issued to the business sector, thereby supporting economic growth. They focused on small and medium enterprises, and expanded credit to construction and real estate (by about

10.5 percent), while credit to households grew at a slower pace than in previous years. The credit spreads in consumer credit and in credit to small businesses increased slightly in 2017, due to an increase in risk and credit losses in this area. In contrast, the interest rate on mortgages declined.

2017 was also characterized by an increase in dividend rates to shareholders of the banks, most of whom are among the broad public, and in an increase in the value of bank shares. In 2017, dividends increased the wealth of the broad public by NIS 1.6 billion.

This development was made possible after the banks reached their capital adequacy targets set by the Banking Supervision Department, and this factor, alongside the transformation that the banking system is undergoing, contributed to a significant increase in the banks' market value relative to book value (MV/BV), with the average value in the banking system reaching 0.96.

In terms of mortgages, an issue that concerns many households, the Banking Supervision Department took a number of steps intended to make it easier for borrowers. The Department enacted leniencies for mortgage borrowers in "Buyer's Price" projects throughout the country by recognizing the assessor's evaluation of the property value. The Department then further eased

matters for mortgage borrowers in the periphery, deciding that State grants will be considered part of the customer's equity. At the beginning of 2018, the Department made it easier for customers to take out mortgages with an LTV of between 60 and 75 percent, by lowering the banks' capital requirement against such loans. In parallel, the mortgage interest rates for all these mortgages declined by about 0.5 percentage points over the course of the year.

The Banking Supervision Department handled significant banking issues that were bothering the public. The salaries of senior bank officials declined greatly as a result of the Senior Officials Wage Law, and it is now significantly lower than the wages of officers in public companies of similar size. Credit to large and leveraged borrowers declined significantly, and the banks internalized the lessons from the credit failures of such borrowers. Bank fees were lowered significantly in recent years, and banking service in general is now not as expensive as it was in the past or as it is in other countries. In addition, the lessons derived from the tax evasion investigations conducted against the banks by the American authorities were implemented. However, the investigations are still on-going in some cases, and once they are complete, the Banking Supervision Department will make sure that the implementation of the lessons is

completed.

There were a number of issues that intensified during the year, which created difficulties for customers:

The banks are imposing strict demands on customers concerning the opening of accounts, transfer of funds, and management of accounts with multiple beneficiaries, and are requiring them to present copious documentation. These demands are derived from legislative changes such as the inclusion of tax evasion as a predicate offense in the Prohibition of Money Laundering Law, and from the lessons derived from the American investigations—events that led the Banking Supervision Department to impose stricter requirements intended to ensure that the banks and their customers comply with foreign laws as well. It is important that the broad public understand that the legislative changes and the increased enforcement are the reasons for the banks to demand more information and documentation before making certain transactions, and that the banks have no interest in making it more difficult for the public make those transactions.

The banks are closing branches and teller windows. In Israel, as in much of the rest of the world, a large portion of basic banking services are transitioning to

direct means—ATMs, mobile applications, Internet, and telephone call centers—and customers come to the branches less often. This makes it necessary for the banks to reduce and reorganize their branch network, and some customers encounter this when the bank notifies them that the branch where they managed their account is closing and they are being moved to a different branch. Most customers get accustomed to the change quickly and see the advantages involved. But there are customers, mainly senior citizens, who have difficulty getting accustomed to the change, and the Banking Supervision Department is therefore guiding the process in order to minimize the difficulties. It is requiring the banks to take measures in order to make it easier for customers with low digital literacy—placing ushers in the branches to help customers use digital tools, holding methodical training programs, operating mobile bank branches that come to seniors' residences, and more. In 2018, the Department, in conjunction with the Association of Banks, will lead a national initiative intended to provide digital education to senior citizens.

In the coming year, the Banking Supervision Department will continue to advance the following goals:

Further streamlining of the banks: The Banking Supervision Department will continue to monitor the

implementation of streamlining programs, and will require the banks to adjust to the changing environment, including through wage agreements that are being formulated.

Adjusting the business model to the new technological environment: The Banking Supervision Department will continue incentivizing the adjustment, and will promote digital transformation and automation both within the banks (in their operating systems, service, and risk management and control) and in their interface with customers.

Increasing competition: The Banking Supervision Department will continue encouraging the many initiatives in the field. Chiefly, it will guide the process of separating two credit card companies from the banks, and will support their solidification as competitive independent actors. It will also promote “open banking” through the publication of an API standard, which will enable customers to transfer information and compare alternatives. Competition will also be encouraged by the credit data sharing system currently being established by the Bank of Israel. The Banking Supervision Department will advance all of these tasks while conducting on-going examinations, maintaining stability, and continuing to

require the banks **to strengthen their management of the new and intensifying risks.**

In order to deal with the large changes in their operating environment, and with the aim of ensuring the existence of a stable and competitive banking system over time to benefit the broad public, the banks and bankers must continue to act to adjust their business models decisively and with a forward-looking vision, by assimilating innovation to benefit the customers and in order to streamline internal processes, continued significant streamlining and adjustment of existing labor agreements, and increasing their competitive ability. Banks that implement the changes slowly and continue to operate along traditional methods will increase their risk of becoming uncompetitive and irrelevant in the not-too-distant future.

Appendix 3: Maalot S&P Global Rating Israel Banking Sector review

Sector Spotlight: 2017 Summary and Looking Ahead

The following is translated from Maalot S&P Global Ratings **Sector Spotlight: 2017 Summary and Looking Ahead**. The chapter *Banks and off-banking finance – an improvement in evaluating the economic risk for the banking system and speedy development of the area of off-bank financing* was written by Terence Klingman, Director of Financial Institutions. The text can be found via [this link](#) (Hebrew, pp 10-12). Please also see S&P Ratings document: **Banking Industry Country Risk Assessment: Israel** (January 2017, English), available via [this link](#).

Since the 2008 crisis, the performance of the Israeli economy has been impressive and the banking system continues to increase its capital basis and present better results, while presenting significant improvement in the quality and concentration of credit portfolios. This year (2017) we have already seen these positive trends expressed by rating activities. The State of Israel's financial resilience in improving, as was reflected by its rating forecast being upgraded to positive by S&P

Global Ratings. The economic risk assessment of the banking system and global rating projections of the two largest banks¹¹ have changed from stable to positive, and positive rating actions (higher rating or positive forecast) were undertaken with regard to the small and niche banks in the local system, such as Dexia Bank, Jerusalem Bank and Bank Yahav.

The positive trend in assessing the economic risk reflects the continued GDP growth of the Israeli economy; consistent growth of GDP per capita, approaching a high level of approximately US\$ 40,000; and a low rate of unemployment, expected in 2017 to be 5.4%, which strengthens household resilience. A decline in leverage levels of the business sector further supports this trend of improvement. Additionally, a combination of applying macro-stabilizing tools by the Bank of Israel and governmental initiatives on the supply side in the housing market, have led in the past year for a slowing down both in the rate of rising housing costs and in the growth in the extent of real estate mortgages and loans. Growth is observed in the rate of net profit dividend

distribution. The normalization of dividend policies after years of low distribution rates, and none in some banks, reflects two main trends: finalizing the increase of the capital basis by the banks to reach the capital goal of Basel III (International Regulatory Framework for Banks), and a deceleration in the growth rate of credit for households, which are the major driving force of demand for bank credits.

Reaching the required capital adequacy goals, alongside the moderation in growth of household credit, have substantially minimized the banks' needs for raising debt capital. In addition, some of the banks have mobilized long term deposits directly from institutional investors, rather than approaching the capital market for bonds. An exception to the rule is Mizrahi Tefahot Bank, which presents a significantly higher growth rate than other banks, and has been issuing large numbers of bonds in order to finance the growth in its activity. In upcoming years, the two large banks are expected to relinquish their holdings in their credit card companies, which is estimated to somewhat decrease their credit

10. The two largest banks in Israel: Bank Hapoalim and Bank Leumi.

portfolios, and indirectly also their bond issuing needs. However, banks are still anticipated to remain among the largest issuers in the bonds market, primarily due to the need of rolling over the existing bonds debt.

The banking system is highly concentrated, with high entry barriers, appropriately supervised and conservatively funded by local core deposits, primarily by households. The shift of the credit mix in favor of households and the increase in intermarket spread in the mortgages market, have helped banks cope well with the low interest rate environment and the fierce competition over credit provision for the business sector; and they have been presenting solid and steady profits since 2009.

Nonetheless, accelerated regulatory efforts are observed, intended to encourage increased competition in the area of households and small businesses, which in the future might adversely impact bank profitability. This is expected to not be an immediate impact, but one that will be felt and

exacerbated over time. On the other hand, efficiency efforts are observed in most banks, focusing on reducing jobs and minimizing branch deployment, partly resulting from the transition of clients to digital service channels, as well transitioning some bank head office units away from central Tel Aviv. The improved efficiency as well as slow and gradual normalization of the interest and inflation environment, will help banks address a potential erosion of profitability in the area of households and small businesses.

The rate of provision for doubtful debt is anticipated to remain relatively low in 2018. The interest rate, which is expected to remain low for an extended time (even if slightly increased), and additional tax breaks are supposed to support the borrowers' repayment power. Nonetheless, a certain increase is predicted in comparison with the past two years, which were characterized by minuscule provision rates, due to the collection of debts in the business sector that have previously been written off.

Appendix 4: About Maala

Maala is the non-profit CSR standards-setting organization in Israel.

Founded in 1998, Maala was established with the goal of promoting corporate social and environmental responsibility (CSR) in Israel. Today, the organization serves the needs of some [110 members](#), comprised of Israel's large and mid-size companies, committed to excellence in corporate citizenship.

Since 2003, Maala has produced the annual [Maala Index](#), which ranks publicly-traded, as well as privately-held Israeli companies, based on CSR criteria. The Index leaders, in various economic sectors, are announced each year at the [Tel Aviv Stock Exchange](#) in the presence of Israel's business, financial and CSR leadership.

Maala offers various programs for sharing practical knowledge and experience, to help businesses set local and international benchmarks and to promote innovation in CSR, based on Israel's specific needs and circumstances. As part of its effort to train qualified CSR personnel, Maala operates an annual training course for CSR managers, in cooperation with [BDO Ziv Haft](#).

To ensure that Israel keeps in step with global standards, priorities and ongoing discussions, Maala is part of key global organizations that promote corporate responsibility. It serves as the focal point of the [UN Global Compact](#) Israeli network, is the Israeli partner of [WBCSD](#), a member of [CSR 360](#), and maintains ongoing working relations with leading organizations such as [BSR](#) and others.

Since 2016, Maala holds annual [International Conferences](#), providing yet another forum for dialog and interaction among CSR professionals from Israel and around the world. This international effort is now boosted with the launch of our new project: Gateway to Israeli CSR.

Maala ESG Rating

The **Maala ESG Rating**, launched in 2003, is based on global ESG standards, addressing the 10 Global Compact principles, GRI criteria and other international standards, while adapting them to priorities of the Israeli market, as well as commonly acceptable working procedures in Israeli corporations. It annually rates

around 25% of the 350 largest companies in Israel, serving as an internal management tool as well as a benchmark for Israeli performance on Environmental, Social and Governance standards (ESG), following local priorities. Participation in the Maala Rating is on a voluntary basis.

Companies are ranked within their categories of industry, size and ownership (public / private / state). Results are analyzed using a computerized model, with the exception of the environmental chapter, which is evaluated by Greeneye.

Maala-Globescan Radar

The **Maala-GlobeScan Radar** is a survey of public expectations from businesses and institutions, and has been conducted and published in Israel consecutively since 2014. The Israeli survey questions have been adapted from the international [GlobeScan](#) Radar methodology by Rotem AR Advanced Marketing Research, and in February-March 2018 surveyed a representative sample of 1004 adult Israelis. It links between public expectations and the businesses

social license to operate – a term Maala considers to embody a component of legitimacy awarded by the public to any business, beyond formal regulations and licensing; requiring constant attention and investment.

Gateway to Israeli CSR

Recently, Maala and the Israeli government launched a joint venture for expanding the existing comprehensive [knowledge portal](#) on corporate responsibility in Israel, currently available in Hebrew. The expansion aims to make the portal accessible for a global audience, with a focus on the professional community. In this framework, a series of in-depth reports are being written, covering different aspects of CSR in Israel, and this report on the banking sector is the first in this series.

The Israeli CSR Experience | Maala International Conference | Innovation for Good Life

This unique two day event is comprised of engaging talks on the main stage and working-lab brainstorming sessions; along with immersive field tours, providing intimate insights into practices of Israeli companies

and how they contribute to good life.

In 2016, the annual Maala conference was modified and customized to cater to a more global perspective and audience, and has since developed dynamic community discourse and a vibrant platform for dialogue on CSR issues and responsible investments in Israel. The conference is constructed with ample opportunity for exchange of knowledge with international professional leaders and thought formers, as well as key actors from large Israeli companies. In 2017, the conference's 800 participants benefitted from the dynamic lectures and presentation, open and candid discussions in breakout sessions and many opportunities for conversations with speakers and other participants.

Conference speakers, both International and Israeli, business leaders and thought leaders, represent a wealth of experience, knowledge and creative ideas for new business models and innovation for good life.

The second day of the conference offers an experience of social and sustainable innovation in action around Israel. Participants are invited to join one of our field

tours for site visits to a range of Israeli companies, for intimate insights into their pioneering practices.

The 2018 Maala International Con(fair)ence: Innovation for Good Life will be held on November 28-29, 2018 in Tel Aviv.

If you are interested to learn more about responsible investments in Israeli businesses, we invite you to join the conversation!

- Participate in the 2018 Maala international conference. For more information see: en.maala.org.il
- We are available for professional opinions and trends, in depth discussion and conversations about specific issues. Contact us: info@maala.org.il

The People Behind this Document:



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Momo is a key player in the Israeli CSR arena and has a proven track record of leading value and behavioral based change processes within the business, public and social spheres. He joined Maala in early 2006, bringing with him extensive experience working in public policy frameworks and environmental and community work.



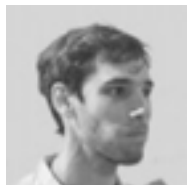
Tami Leffler | Director of Membership, Social Innovation and Information Management | Maala | tamil@maala.org.il

Tami has a vast experience in working with large Israeli companies on their social innovation strategies. Tami joined Maala in 2002 and her expertise includes knowledge management in the CSR research realm, as well as consulting companies on human capital investments, designs and executes corporate events and collaborative initiatives.



Yair Cohen | Director of Membership and Maala ESG Rating & Indexes Manager | Maala | yair@maala.org.il

Yair has been managing the Maala ESG Rating and Indexes for the past 8 years. He has extensive experience in initiating and driving sustainability and CSR changes within leading companies. Yair joined Maala in 2010 after completing an M.B.A. in finance and a B.A. in management, both at Ben-Gurion University in Beer-Sheva. Prior to joining Maala, he worked as a research and teaching assistant in the department of management at Ben-Gurion University.



Elisha Silberklang | Project Manager | Maala | elisha@maala.org.il

Elisha followed his passion for sustainability and environment and joined Maala in 2017. Previously he was involved in a Jerusalem culture and night-life startup and worked as a research assistant in the Department of History at The Hebrew University of Jerusalem. Elisha holds a B.A in history from The Hebrew University.



Sagit Porat | Consultant, Editor and Translator | sagit@spsp.co.il

Sagit is a creative and attentive project manager, with expertise in sustainability and urbanism and the interfaces between policy, business and the environment. She is a proficient writer, translator and editor (Hebrew/English).

- Sustainability and Social Responsibility at Bank Hapoalim: www.bankhapoalim.com/wps/portal/int/lobbyssr?WCM_GLOBAL_CONTEXT=/wps/wcm/connect/bhint/int/home/sresponsibility/&proceed=1
- Bank Hapoalim Sustainability Report 2016 – Economic, Social & Environmental Responsibility: www.bankhapoalim.com/wps/wcm/connect/17d3ab0041ff1ecfb2f3b23541ca90ac/BankHapoalim2016CSRreportEng.pdf?MOD=AJPERES&lmod=153207788&CACHEID=17d3ab0041ff1ecfb2f3b23541ca90ac

Bank Leumi

- Bank website: english.leumi.co.il
- Bank Leumi: Annual Report 2016: english.leumi.co.il/static-files/10/LeumiEnglish/Financial_Statements/10001164e.pdf
- Corporate and Social Responsibility: english.leumi.co.il/LEPersonalBanking/Social_Responsibility/6252/
- Corporate Social Responsibility Report. The Leumi Group 2016: plus.leumi.co.il/wp-content/PLUS_REPORTS/CSR_report_2016_Engish.pdf

Fibi – First International Bank of Israel

- Bank website: online.fibi.co.il/wps/portal/FibiMenu/HomeEN
- Corporate Social Responsibility: online.fibi.co.il/wps/portal/FibiMenu/MarketingEN/AnInformation/AnInvestorRelations/Ansociresponsibility
- The FIBI Group 2016 Corporate Social Responsibility Report: online.fibi.co.il/wps/wcm/connect/dd7a839c-2809-423b-96d1-ab6cf5b47df6/50-390-05-02+ENG_Achrayut+Taagidit+ 2017+PNIM_02.pdf?MOD=AJPERES&CACHEID=dd7a839c-2809-423b-96d1-ab6cf5b47df6

Israel Discount Bank

- Bank website: www.discountbank.co.il/DB/en
- Social Responsibility: www.discountbank.co.il/DB/en/discount-group/csr/policy-values-and-vision
- Corporate Responsibility Report 2016. Israel Discount Bank: www.discountbank.co.il/DB/sites/marketing.discountbank.co.il/files/CMS%20media/english_site/documents/pdf/Corporate%20Responsibility%20Report%202016.pdf

Jerusalem Bank

- Bank website: www.bankjerusalem.co.il/en
- Jerusalem Bank Corporate Responsibility Report 2015 (Hebrew): www.bankjerusalem.co.il/media/1720/corporate-responsibility-2015-180916.pdf

Mizrahi Tefahot Bank

- Bank website: www.mizrahi-tefahot.co.il/en/
- Corporate Social Responsibility: www.mizrahi-tefahot.co.il/en/Bank/About-us/Pages/corporate-report.aspx
- Report – Corporate Social Responsibility 2016:
www.mizrahi-tefahot.co.il/Lists/BankMizrahiSiteAssets/PDF-English/31959%20doch_Int_ENG_biz1_Press%20Mail%20Int.pdf

Union Bank

- Bank website: www.unionbank.co.il/14-en/UnionBank.aspx
- Corporate Responsibility: www.unionbank.co.il/999-en/UnionBank.aspx
- Union Bank Corporate Responsibility Report for 2014-2015 (Hebrew): www.unionbank.co.il/SIP_STORAGE/files/1/2851.pdf

Additional Resources:

Bank of Israel website: www.boi.org.il/en

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BDiCode website: www.bdicode.co.il/en/category/eng_bdicode

Business for Social Responsibility website: www.bsr.org

Business & Human Rights Resource Centre website: www.business-humanrights.org

- UN Secretary-General's Special Representative on Business & Human Rights:

www.business-humanrights.org/en/un-secretary-generals-special-representative-on-business-human-rights

- UN "Protect, Respect and Remedy" Framework and Guiding Principles:

www.business-humanrights.org/en/un-secretary-generals-special-representative-on-business-human-rights/un-protect-respect-and-remedy-framework-and-guiding-principles

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Israel Central Bureau of Statistics: www.cbs.gov.il/reader/?Mlval=cw_usr_view_Folder&ID=141

- **Labour Force Survey 2015**, available at: www.cbs.gov.il/webpub/pub/text_page_eng.html?publ=68&CYear=2015&CMonth=1

Israel Securities Authority website: www.isa.gov.il/sites/isaeng

- Securities Regulations (Periodic and Immediate Reports), 1970. Available at: www.isa.gov.il/sites/ISAEng/1485/1497/Documents/IsaFile_6155.pdf

Kol Zchut – All Your Rights website: www.kolzchut.org.il/en/

Maalot S&P Global Ratings website (Hebrew): www.maalot.co.il

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