

January, 2018

Maala 2017 Communication on Engagement | Main Achievements and Highlights

- 1. Maala International Conference**
- 2. Two New Maala CSR Indices**
- 3. Maala – GlobeScan Radar: Public Expectations of Businesses**
- 4. 2017 Maala Index Results**

Maala International Conference

On November 2016 Maala launched the first annual International CSR conference, followed by the second annual Maala International Conference held in November 2017.

Recycled shampoo bottles and two new CSR bond-indexes were launched at the second annual Maala International Conference, which was held on 29-30 November 2017 by Maala with the theme of innovation for good life.

Participants from more than 120 businesses, 80 organizations and government agencies were among the 800 attendees of the two-day Conference. Among others, the conference showcased a unique side event where, Bank Leumi, one of Israel's largest banks, acknowledged a number of its suppliers that entered the Maala mid-size CSR index, thus expressing that the company will reward its suppliers who are committed to CSR. Maala pointed out that this is a way to expand CSR work to the tier of small and mid-size companies.

The next steps in sustainability via innovation were presented by global corporations such as Microsoft and P&G, as well as leading Israeli companies like Strauss, Teva, Bank Hapoalim and Shikun & Binui. Innovative products that support meaningful relationships; solutions for smarter sustainable cities; and food-tech to improve people's nourishment. "What was really impressive was to actually see how in banking, hi-tech, pharma, utilities and construction – sustainability is authentically imbedded in R&D work, in a way that makes one optimistic on how Israel can contribute to the SDGs" said Maala CEO, Momo Mahadav.

The conference featured roundtable discussions with international ESG investors, analysts and raters, alongside top Israeli companies with the topic of how can Israeli market leaders attract sustainable investors.

During the conference's second day, participants had the opportunity to explore some of the innovative CSR practices executed by Israeli companies in a range of field tours throughout the country. As one of the participants expressed, "it was mesmerizing to feel the sustainability work on site. As was shown on my tour, Shikun & Binui's innovation lab, 'Buildup', exemplifies how companies and startups from all sectors join forces to innovate and create our future cities". Building on their success, the tours will also be featured in the 2018 conference.

A full article on the Maala 2017 International Conference was published in the online magazine Triple Pundit, and can be viewed [here](#).



Maala International Conference 2017. Photo by Sharon Amit

Two new Maala CSR Indices

As part of the 2017 Maala International Conference, Two new CSR bond indices were launched on the Tel Aviv Stock Exchange (TASE).

The following is drawn from a press release on the two new indices published on [TASE website](#):

November 29, 2017 - For the First Time, TASE Launches Bond Indices of Companies Selected for Corporate Social Responsibility (CSR): Tel Bond-CPI Linked Maala and Tel Bond-Shekel Maala. The TASE Family of SRI (Socially Responsible Investing) Indices is being Expanded to Three Indices with Two Additional Tel Bond Maala Indices, which will be Calculated Alongside the "TA-Maala SRI" Equity Index. In so Doing, TASE Joins a Small and Select International Club of Index Providers that Calculate SRI Bond Indices.

The following two new corporate bond indices:

"Tel Bond-CPI Linked Maala" Index, composed of bond series of issuers rated by the Maala corporate social responsibility rating organization that are included in the Tel Bond-CPI Linked Index;

"Tel Bond-Shekel Maala" Index, composed of bond series of issuers rated by the Maala CSR rating organization that are included in the Tel Bond-Shekel Index.

In February 2005, TASE launched the TA-Maala Index, which comprised shares ranked at that time by the Maala CSR organization. SRI indices were not common in the world then and TASE was among the pioneers to launch SRI equity index. During the 12 years since the launch of the TA-Maala Index, number of additional SRI indices have been introduced and these have joined the traditional investment instruments in providing a solution, for example for institutional investors, especially in northern Europe, for whom the topic of corporate social responsibility in business is an integral part of their investment portfolio.

A look at the yield of the **TA-Maala Index** over the years shows that the index outperform the traditional market indices, as shown in the table presented in [Appendix A](#). TASE hopes that the expansion to three Maala indices (instead of the current single index) will contribute to exposing investors to the success of the TA-Maala equity Index, thereby also contributing to the scope of investments on TASE.

Appendix A – TA-Maala Index yield versus other main indices

Index	Yield in the last year	Yield – 3 years	Yield – 5 years	Yield – 10 years
TA-Maala	19%	35%	97%	41%
TA-125	5%	2%	25%	18%
TA-35	0%	1%	21%	25%
TA-90	28%	22%	59%	5%

Maala – GlobeScan Radar: Public Expectations of Businesses

Maala – GlobeScan Radar is a global public opinion survey conducted by GlobeScan, analyzing societal attitudes, expectations and trust of businesses.

2017 was the 4th year Maala conducted the GlobeScan Radar survey in Israel.

The survey presents a snapshot of perceptions of the public toward businesses and regarding the social-economic discourse. The emerging image is one of increasing importance of businesses' "social license to operate" – not merely their legal-regulatory license, but a moral "license" from the public. This trend is further strengthened on the backdrop of some decline concerning the issues of price and cost of living, compared to quality, health, environment, service and integrity.

Maala Index Results 2017

Maala held the annual event at the Tel Aviv Stock Exchange for the unveiling of the Maala 2017 CSR Index results, with 200 attendees including 40 CEOs of leading Participating companies.

In 2017, the Maala Index included a total of 128 companies participating in the ranking – 78 large and 50 mid-size, including 8 new large companies, and 27 new mid-size companies. This is compared to the previous year in which 98 companies participated in the ranking, including 23 mid-size companies.

[A snap shot of the state of CSR in Israel](#)



Unveiling of the Maala 2017 CSR Index results. Photo by Yoav Zohar

About The Index:

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

Participation in the index is voluntary, and requires its participants to submit their company CSR data. Approximately 25% of the 350 largest companies in Israel participate in the rankings (a percentage similar to foreign markets).

Onward looking:

2018-9 – Maala will considerably extend its exposure for the international community, with a comprehensive portal in English along with continuous development of the Maala international conference as a platform for networking and dialogue with the Israeli CSR community.

Maala is committed to continue the engagement and advancement in Israel of the Global Compact principles and the UN SDGs.