



2023



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# Israel 2023 ESG | A Year in Review



## The War- A Game Changer in Business Focus...

During the first two months of war approximately 90 million NIS were donated (cash) to the following causes:

First responders and emergency organizations, military aid, education & welfare, evacuated civilians, resilience efforts, displaced farmers from war zones.

Leading Businesses have committed **around 210 million NIS** for recovery efforts.

Companies' support efforts for customers focused on: relief packages and benefits for civilians in war zones; adapting services for displaced civilians; assistance and support for SMEs, military reservists and more. Farmers drew a particular focus, both via corporate social investment and employee volunteering.



# התסחר נפתח



## The Maala ESG Index: ESG Continues to Grow and Expand in Israel

The Maala 2023 ESG Index showed a **19%** rise in the number of participating companies. Companies on the TA-Maala ESG Index comprise approximately **45%** of the accumulated net worth of all listed companies on the TASE.

Corporate disclosures show a rise in management attention to ESG within companies. For example: a designated ESG management unit exists in **54%** of participating companies, compared to **45%** the previous year; A **25%** rise in companies publishing ESG reports according to the GRI standard.

TASE is publishing its first ESG questionnaire for listed companies as a means of **increasing their ESG involvement** and allowing investors better access to ESG-related information.

## ESG - What Gets Measured, Gets Managed

During 2023 Maala underlined the importance of quantitative and data driven measurements as a central management tool for ESG. The 2024 Maala ESG Index questionnaire was updated accordingly.

accordingly and reflects the rise in measurable criteria. Maala has improved its capabilities to analyze corporate ESG disclosures to the index, aiming to present a validated comparison of companies' ESG performance.

For Example:  
Gender equality within the financial sector

### Parameter

	<b>Banking sector</b>	<b>Finance, services &amp; hi-tech sector</b>
% of women on board of directors	30%	30%
% of women among the top 10% paygrade in the company	39%	33%
% of companies with over 50% women in senior management	67%	33%
% of companies that set targets for women in senior management	67%	72%
% of companies offering professional development programs for women	100%	62%

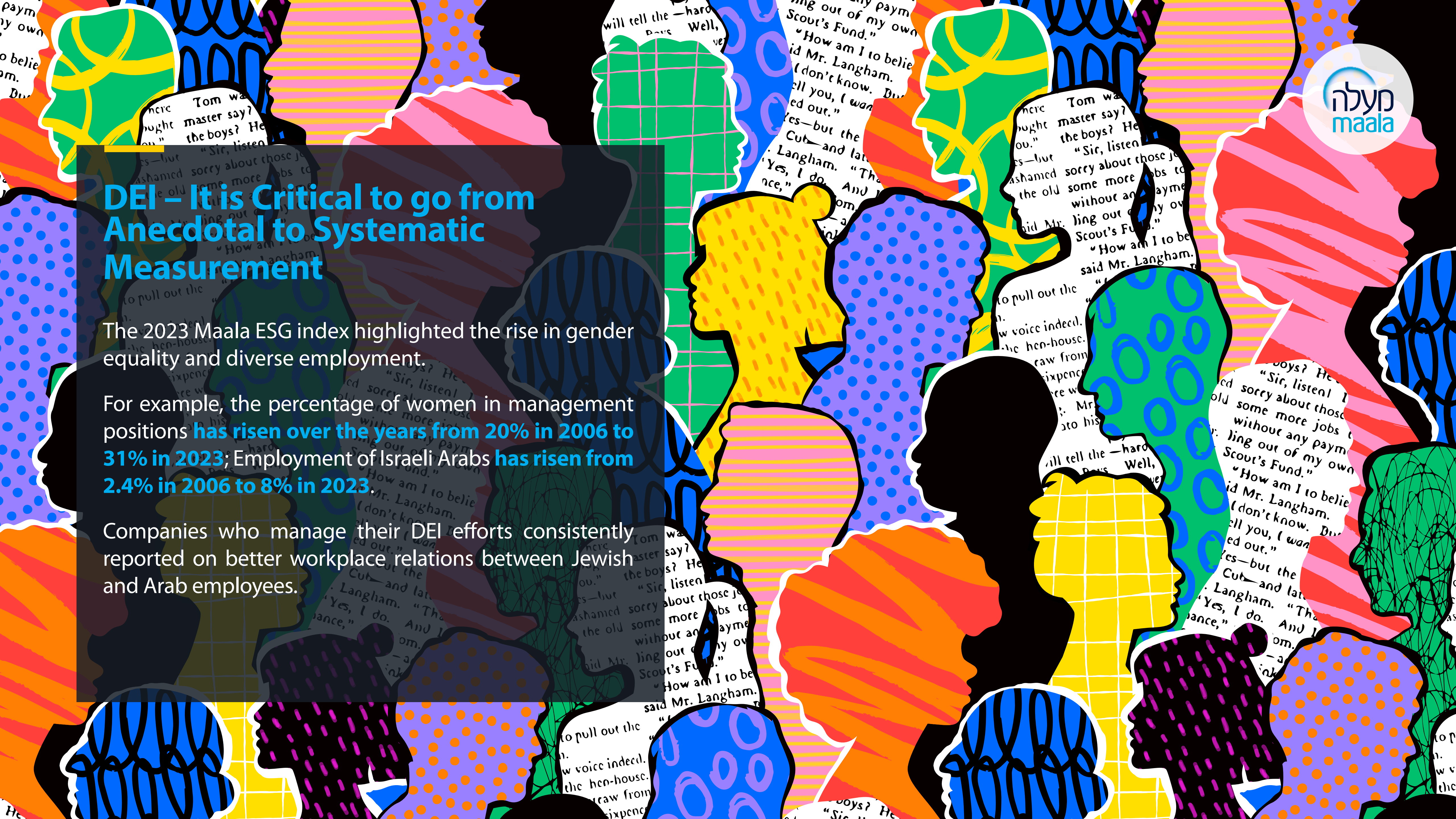


## DEI – It is Critical to go from Anecdotal to Systematic Measurement

The 2023 Maala ESG index highlighted the rise in gender equality and diverse employment.

For example, the percentage of women in management positions **has risen over the years from 20% in 2006 to 31% in 2023**; Employment of Israeli Arabs **has risen from 2.4% in 2006 to 8% in 2023**.

Companies who manage their DEI efforts consistently reported on better workplace relations between Jewish and Arab employees.



## 'Time To Talk' Businesses Take Part in the Initiative by the President of the State of Israel for Reducing Societal Polarization

Confronted with the challenge of rising polarization in Israeli society, President Isaac Herzog decided to focus efforts during his term as president on making the State of Israel and the Israeli society more cohesive and capable of engaging fearlessly with the disagreements that divide it. 'Time to Talk' translates the President's vision into an action plan - **Maala has joined this Initiative.**

The business sector represents Israeli society wholly and plays a crucial role in reducing polarization in the workplace and building trust amongst different groups within the Israeli society.

# מחליפים מילה



# TIME TO TALK

יוזמת הנשיא  
לשיח ישראלי

# בִּנְחָוָר

## Globally - 2023 Marks a Year of Standardization in the Field of ESG

ESRS- The EU has adopted reporting standards for EU companies. The International Accounting Standards Board published this year the new IFRS sustainability disclosure standard: IFRS S1 & IFRS S2 – which creates an integrated reporting standard.

In the US the SEC (Securities and Exchange Commission) has announced expected Climate-Related Disclosures regulation, which remains a dividing issue amongst republicans and democrats.

The Business sector continues to adopt and implement ESG managerial standards. A survey published in December pointed to a trend of tying Executive Incentive Plans to ESG Performance Metrics: Environmental performance is linked to managers incentive plans in more than half of companies on the S&P 500 index, and DEI performance is linked to incentive packages in 75% of companies.

