



MINISTRY OF FINANCE
SPOKEPERSON OFFICE INTERNATIONAL AFFAIRS DEPARTMENT
30 June 2009

Press Release

The Director of the Government Companies Authority, Dr. Udi Nissan, today published a circular pursuant to which:

Government Companies Will be Asked, For the First Time, to Promote Environmental Issues Within the Context of their Activities

The Companies will be required to submit, along with their financial statements, a strategic program including environmental aspects

The Director of the Government Companies Authority, **Dr. Udi Nissan**, today published a circular pursuant to which government companies will be required to work to promote the handling of issues that have an environmental impact. In the context of a circular that was sent to the companies, each government company is asked to formulate a strategic environmental policy regarding the company's conduct and to submit a report regarding its implementation once each year. Each company's board of directors will be asked to hold a discussion regarding the subject and to establish guiding principles for the company's activity regarding sustainable development. The Government Companies Authority intends to generally publicize the strategic programs for sustainable development that the companies plan.

The Government Companies Authority formulated the circular in order to promote environmental aspects of the government companies' activities, in cooperation with the Ministry of Environmental Protection and additional relevant parties from the private and public sectors, with whom many consultations were held.

The circular requires a company's board of directors to hold a discussion regarding the said subject by October 31, 2009. Data will be presented in the framework of this discussion regarding environmental protection and sustainable development, and this data will include the relevant laws and regulations, the use of international standards, etc. The material presented will include a discussion of environmental issues relating to the area of activity in which the company is involved.

Each company will be required to present, together with its financial statements for 2009, a strategic program for sustainable development at the company. The program will include, *inter alia*, a discussion of the activities the company currently carries out in the area of sustainable development and the amounts that the company currently invests in the area. The program will specify planned future activities for the company, methods of implementation, sources of financing, goals and the dates planned for their achievement. The program will also deal with aspects related to

רח' קפלן 1, הקריה ירושלים 91030 טל': 02-5317201 פקס': 02-5695355

each company's unique core of activities as well as its office activities. Beginning in 2010, the government companies will be required, in the context of the annual report submitted to the Government Companies Authority, to transmit a description relating to the implementation of the strategic program for sustainable development at the company.

The Minister of Finance, **Dr. Yuval Steinitz**, stated that "this process constitutes a part of the Ministry of Finance' overall policy of supporting the subject of environmental protection, and the outstanding example is the green taxation reform. The Minister called on the government companies to serve as an example and as ground-breakers in the area of environmentalist development among the public and business sectors in Israel."

The Minister of Environmental Protection, **Gilad Arden**, approved the process and noted that the circular will enable greater transparency regarding the public sector's activity in the environmental area and also signals the business community that environmental matters are on the government's agenda. The circular is only one of the first steps to be taken towards the assimilation of the principles of sustainable development within the general business sector in Israel. Arden added that before the government requires the business sector to work to promote environmental aspects, it is appropriate that the State do the same among its own institutions through this circular, and through other measures that are currently being promoted.