



# better future

2007 Partner Communications Corporate Responsibility Report



[www.orange.co.il/betterfuture](http://www.orange.co.il/betterfuture)



Subject	Page
A word from the CEO	4
About the Corporate responsibility report	5
Organizational profile	6
Corporate responsibility policy	7
<b>About the company</b>	9
Corporate structure, Board of Directors	13
<b>The environment</b>	14
Our policy	15
The way we operate	16
Energy savings	17
Reducing greenhouse gas emissions	18
Reducing consumption and recycling waste	20
Cell phones, the network and public health	20
<b>Products, marketing and customers</b>	22
Our policy	23
The way we operate	24
Dialogue with customers	24
Dialogue with suppliers	25
Training	25
Marketing communications	26
Product safety and protection from inappropriate content	27
Accessibility to services and products	27
Transparency and clarity of information	28
Recognition and appreciation	28





Subject	Page
<b>Working environment and employee rights</b>	29
Our policy	30
The way we operate	31
Dialogue with employees	31
Training, instruction and enrichment	34
Fair employment	35
Welfare	37
Preventing harassment	38
Recognition and appreciation	38
<b>In the community</b>	39
Our policy	41
The way we operate	42
Advanced communications and technological education	42
Encouraging employee involvement	44
Creating employment opportunities	45
Donations and adopting non-profit associations	46
Community relations budget	47
<b>A promise for the future</b>	48
Primary objectives for 2008-2009	50
Invitation to a dialogue	52
Thank you	52
The GRI index	53



## hello!

Since the day of our establishment we have striven to play an active role in creating a better future.

For us, the commitment to the future is not merely an empty slogan but rather a daily commitment on the part of each and every one of us, a commitment to which we pledge ourselves in every sphere of our varied activities and endeavors: product development, quality of service, marketing proposals and, of course, social commitment.

Since starting our operations in 1999, with the launch of the **orange** brand in Israel, we believe that business plays an important role in creating social change. Therefore, we at Partner combine our financial strategy considerations with ethical, social and environmental concerns.

Over the years, we have developed an organizational culture which places striving for excellence, professionalism and integrity as its core. These qualities allow us to bring an added value to our customers, shareholders, employees and other stakeholders.

We strive for long-lasting development which responds to the needs of the present, ensures the future, and views this approach not only as a necessity and the moral thing to do, but as the secret to our business success, as well.

I believe that a healthy, useful and productive society is a place where we all want to live, because it benefits us all. I believe that our investment in technological and communications education provides everyone with the tools for a better future. As a leading brand, our primary commitment is to give of our strengths in a way that will bear fruit in the future.

I see this corporate responsibility report as an opportunity to review our activities in the realm of corporate responsibility. I invite you to examine those activities and urge you to help us improve.

**Together** we will create a **brighter** future



David Avner, CEO



## What is a Corporate Responsibility Report?

Corporate Responsibility is the way in which organizations combine, in their ongoing business activities, social, ethical and environmental considerations with their economic strategies. The purpose of adopting a policy of corporate responsibility is to reduce the organization's negative impact and to expand its positive influence on its environment.

The Report is one of the most significant means an organization has to express its commitment and improve its social and environmental achievements.

The report is intended for all stakeholders, that is everyone affecting or affected by the company – shareholders, investors, customers, employees, suppliers and value chains, authorities and the public at large (the community).

The report is voluntary and reflects the company's commitment to transparency of performance and dialogue with its stakeholders.

There are no obligatory rules for writing a corporate responsibility report. However, the internationally accepted practice for formulating such a report can be found in the GRI (Global Reporting Initiative) guidelines. The GRI is an organization whose objective is to develop international guidelines which will allow comprehensive and essential reporting on every business sector, will allow the monitoring of an organization's progress in discharging its corporate responsibility, and will allow a comparison with other organizations.

## Partner's Corporate Responsibility Report – profile and limits

This report intends to cover the company's activities in all areas of corporate responsibility, with reference to its economic, environmental and social aspects.

This is our first published corporate responsibility report and its purpose is to present our activities to all stakeholders of the company. We intend to offer ongoing improvements in the realm of corporate responsibility and look forward to your comments and insights on the aspects covered.

The report primarily focuses on activities in 2007 (unless otherwise specified) and is valid for all service and sales centers, broadcasting sites in Israel, and company headquarters in the Afek Industrial Park in Rosh Ha'ayin.

Before writing the report we mapped the spectrum of subjects relating to corporate responsibility, with emphasis on leading indices in Israel and abroad. Based on the conclusions of the mapping process, we are formulating working plans for future activities. The results will be covered in the next report, which will focus on activities during 2008-2009.

In striving to present the spectrum of key topics in terms of the company's activities, we have chosen to write this report on the basis of the G3 format of the international GRI at the B level of reporting. A table at the end of the report summarizes the indices covered in the report and their locations.



G3- framework and guidelines for social responsibility reporting under the auspices of the GRI (Global Reporting Initiative). Within the G3 format there are three levels of reporting – A, B and C – and today the G3 format represents the leading and accepted reporting format in the international market.





better future

2007 Partner Communications Corporate Responsibility Report

# corporate responsibility





## Our Corporate Responsibility Policy

We at Partner operate on the basis of corporate responsibility principles and the accepted reporting guidelines, relating in a multi-dimensional fashion, including economic, social and environmental aspects, to continue to bring added value to all our stakeholders.

**We see ourselves committed to:**

### Our customers

By developing advanced products reflecting technological innovation, and by providing excellent personal and satisfactory service and a high-quality network. We strive to create an ongoing dialogue to ensure constant learning and improvement.

### Our shareholders and investors

By giving added value and by making a commitment to intelligent use of capital and resources.

### Our employees

By creating a working environment that is unique, advanced, egalitarian, challenging, safe and empowering, and by encouraging dialogue and a system of fair relationships.

### The authorities and regulatory bodies

By working strictly according to the rules, regulations and laws applicable to us as a communications operator, and by contributing to the development of the Israeli market through our activities.

## Our partners and value chain

By viewing our suppliers as partners in the same endeavor, recognizing their needs, and striving to help their growth and development, while creating common values.

## Companies in the telecommunications field

By encouraging fair competition and creating added value for the benefit of the public at large.

## The public

By operating on the basis of ethical guidelines, and with transparency, out of a sense of social and environmental responsibility and a desire to help develop the sense of community in Israel.

## The values of the company

By devotion to company values: **striving for excellence, integrity, togetherness, experience, possibility, uniqueness, professionalism and learning**; these values guide us in our activities as we seek to realize our vision in practice.





## How do we apply a corporate responsibility policy?

We have adopted a number of tools to serve as working guidelines.

### Code of Ethics

While the principles of activity outlined above are designed to help Partner in promoting its vision, the code of ethics determines the limits of acceptable behavior in the company. The code of ethics is distributed to every employee, manager and director of the company, and is also available on the company's internal portal. This code obligates all employees and managers of the company without distinction. As of early 2008, we have embarked on a campaign to implement the code through the use of interactive courseware, allowing for its better understanding by our employees at all echelons.

### Violations of company policy

Partner, through a whistle-blower mechanism, enables any employee to report on alleged violations of the code of ethics and/or to submit any complaint directly to the Internal Auditor and the headquarters of Hutchison in Hong Kong. The translated complaint is sent to Hutchison and is returned to the relevant unit at Partner for investigation. This unit is committed to submitting its findings and reporting to Hutchison headquarters the manner in which the complaint was handled.

In addition, the company's chief internal auditor operates a complaint mailbox to which signed or anonymous complaints may be submitted. The complaints are independently investigated in the field by the chief internal auditor, who collects documents, records the process, investigates the managers responsible for the topic of the complaint, and elicits responses. Information about complaints is submitted to the Chairman of the Internal Audit Committee soon after it is received by the chief internal auditor's office. At the end of the investigation, relevant steps are taken based on the chief internal auditor's recommendations.

Several times a year, the company's chief internal auditor informs employees of these channels, and employees can use both of them.

### Mapping risks

Once every three years, under the guidance of the chief internal auditor, the company undertakes a comprehensive process of mapping risks in all company activities. The topics of the survey refer primarily to topics which have a material effect on the Company's financial abilities, stability and image, on oversight, and on the steps the company takes to reduce and prepare for these risks.

### The Maala Index

Partner uses the Maala Index of Israeli companies to measure its level of corporate responsibility. The 2008 Maala index, published on June 11, 2008, and referring to company achievements in 2007 in the fields of ethics, corporate governance, the environment, community involvement, working environment and employee rights, ranked Partner in the highest category – platinum – and as one of the ten leading companies in Israel for corporate responsibility. Partner is also one of the twenty leading companies in the index meeting the conditions of the Tel Aviv 100 Index which compiles the Maala Index. This index was launched in 2005 in conjunction with the Tel Aviv Stock Exchange, and serves as a financial tool to enable ethical investments based on corporate responsibility criteria.

Further details about the ranking and the Maala Index may be found on the Maala website.





better future

2007 Partner Communications Corporate Responsibility Report

# our company





## About the company

Partner Communications is a communications company operating in Israel and supplying services and applications through some of the most advanced technologies in the world under the orange™ brand. Partner presents advanced communications solutions as an integral part of the services offered to customers. In addition, the company continuously strives to identify changing market needs and to develop functional solutions enabling customers to conduct personal, family and business communications in a smarter, more economical and more efficient manner.

Partner began supplying commercial cellular services in January 1999; inspired by the vision it had defined for itself and which continues to guide it to this day: **To lead the personal communications market in Israel using a different marketing approach, supplying quality service and technological innovation for the benefit of its customers, shareholders and employees.**

In 2002, the company's mobile radio telephone services license, originally awarded in 1998, was expanded to include the operating of a third generation network in Israel. The company also offers roaming third generation services on hundreds of networks around the world. Partner's network has population coverage of 97% and 2.86 million customers (as of December 31, 2007). Partner is already using the advanced HSDPA technology enabling download speed up to 3.6 Mbit/s. In the last ten years, as the cellular phone has become more common, it has grown to be an integral part of both our personal and our business lives. Today, the device is much more than just a telephone. It is a miniature, sophisticated mobile personal information center enabling multi-faceted interpersonal communication: audio conversations, video conversations, text messages, and picture and video messages.

Furthermore, the personal cellular device serves as a date book and planner, personal music player, an advanced gaming device, a navigation system and an accessible gateway to the internet and email from anywhere.

**From 1997 to 2006 the number of households with at least one cellular phone grew to 87%, for the first time, outstripping the number of households with landlines (85%). (The Central Bureau of Statistics data, 1948-2008)**

**By the end of 2007, the rate of cell phone penetration in Israel stood at 125%.**

Partner is special because of its organizational culture, which stresses striving for excellence, professionalism and integrity as central components of its activities. True to its vision, Partner continues to operate consistently to fulfill its vision of market leader in personal communications in Israel regarding quality and technological innovation. Partner holds licenses for the provision of cellular, land-line transmission and Internet services, thus allowing the company to leverage its accrued assets in the cellular world and expand the communications basket it can offer customers.





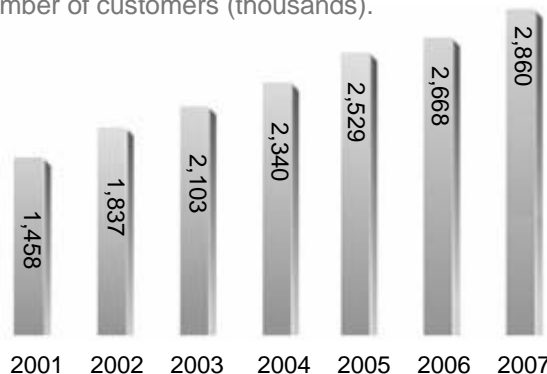
### The Partner success story

Partner is a proven local success story, the result of a new marketing approach, advanced technology and an extraordinary service approach.

- April 1998** Receives license as cellular operator
- January 1999** Commercial launching
- November 1999** Listed for trading on the NASDAQ and the London Stock Exchange
- July 2001** Listed for trading on Tel Aviv Securities Exchange
- December 2004** Launching of third generation network
- March 2005** Issue of bonds worth NIS 2 billion in Israel
- April 2005** Buy back of 33.3 million shares
- August 2005** Redemption of bonds worth \$175 million
- October 2005** For the first time, Partner distributes dividends
- July 2006** Completion of acquisition of transmission activity of IC-1 and MED-1, and receiving of transmission license
- January 2007** David Avner appointed CEO of company
- January 2007** Receiving domestic land-line operator license (together with VOB)
- February 2007** Receiving network termination point license
- October 2007** Half a million third generation customers

### Partner enjoys financial stability and continuous growth of the market share and profitability

Number of customers (thousands).



(in thousands of NIS)

	2005	2006	2007
Income	5,122,939	5,606,711	6,133,644
Operational profits	902,906	1,218,392	1,404,520
Profits before tax	557,458	1,051,950	1,278,203
Net profits	354,560	682,287	939,786
Net profits per share	2.19	4.44	6.01

EBITDA	1,568,616	1,850,107	2,014,668
--------	-----------	-----------	-----------





The high regard for Partner by the Israeli public and business community has been expressed over the years in the prestigious awards it has won in a number of fields, and the high ranking it has enjoyed in the country's leading indices.

In March 2007, Partner was ranked second among the most highly regarded companies in the Israeli market. The ranking was conducted by an external company, BDI-COFACE, which interviewed 500 executives representing the leading companies in the Israeli market. The list of highly regarded companies was constructed on the basis of three criteria: highest management quality, best services and products, and greatest financial success.

### Partner executives

(As of the date of this report)

- David Avner ..... CEO
- Emanuel Avner ..... VP and CFO
- Alon Berman ..... VP Technologies
- Chaim Beker ..... VP Operations
- Gadi Gilon ..... Deputy VP Information Systems
- Eli Glickman ..... VP Customer and Private Sales Division
- Oded Degany ..... VP Corporate Development, Strategy and Investor Relations
- Michal Dana ..... VP Human Resources
- Erez Paz ..... VP Marketing and Content
- Roly Klinger ..... VP Legal and Regulatory Affairs, Joint Company Secretary
- Gil Rosenfeld ..... VP Business Division
- Gadi Gilon, ..... Deputy VP Information Systems
- Yaacov (Kobi) Zakai ..... Deputy VP, Head of Regulatory and Government Affairs





## Shareholders

Partner is a public company with shares traded on the Tel Aviv Stock Exchange (TASE) under the symbol PTNR. Partner's ADS certificates are traded on the NASDAQ (Global Select Market) under the symbol PTNR.

Hutchison Telecommunications International Ltd. (HTIL) is the majority shareholder with 51% of the company's stock. HTIL is a leading telecommunications operator focusing on dynamic markets. The rest of the company's shares are held by founding Israeli shareholders or their proxies (5%) and by the public at large (44%).



Partner attributes great importance to its relationship with its shareholders and the capital market. Therefore, Partner has a division responsible, among other things, for the company's relationship with the capital markets both in Israel and abroad; the division is headed by a VP for business development, strategy and investor relations. The investor relations department is responsible for understanding the needs and supplying necessary information to investors, with transparency and through ongoing dialogue. In 2007, Partner was awarded the two top rankings for international investor relations by [Investor Relations Global Ranking](#) in the category of mid-sized and small European companies, for its investor relations website and financial disclosure policy.



## Board of Directors

Partner's Board of Directors comprises eleven members, three of whom are Independent Directors, with two meeting the criteria of External Directors. The Board of Directors includes four committees: an executive committee, security committee, compensation committee and audit committee. Directors are chosen in a company general meeting, based on the recommendations of the Board of Directors, based on an analysis of the candidates' capabilities and experience. By the terms of Partner's license, the Director representing the founding Israelis is elected by the founding Israeli shareholders. Two External Directors, as defined in the Companies Law and an Independent Director serve on the audit committee. All members of the audit committee are financial experts.

The members of Partner's Board of Directors act to prevent conflicts of interest and are meticulous in upholding the directives of the relevant legislation, including refraining from participating in votes on issues before them if they have a personal interest in the matter and so required by Law.

The Chairman of Partner's Board of Directors, Mr. Fok Kin-ning Canning, is an office holder as defined in the Companies Law 5759-1999, as he is a member of the Board of Directors. Mr. Fok does not serve in any other capacity at Partner.

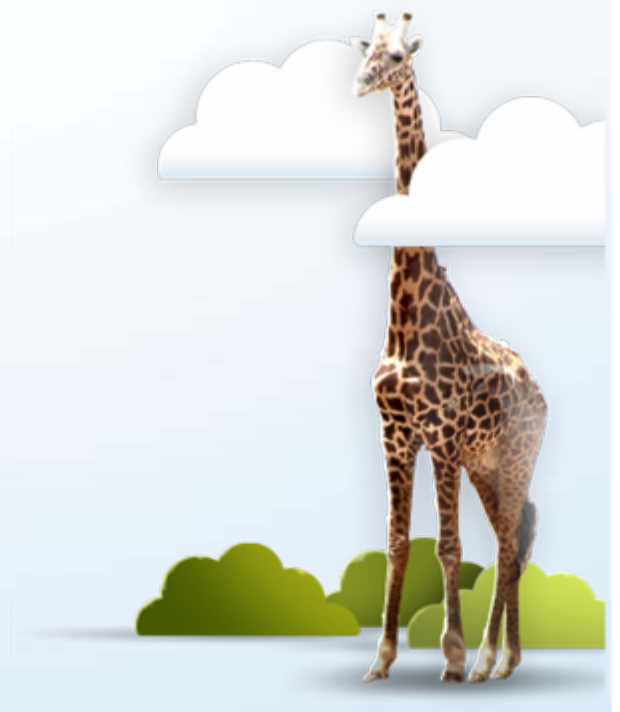




better future

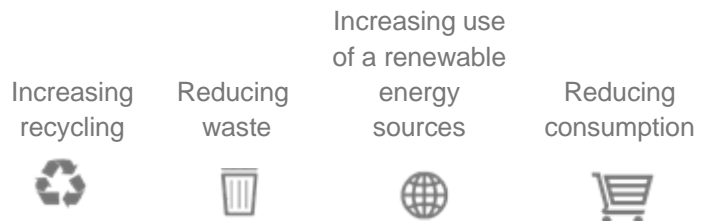
2007 Partner Communications Corporate Responsibility Report

# our environment





**Protecting the environment -  
ensuring today  
the possibilities  
of tomorrow**



thinking greener   looking further ahead   breathing more deeply   feeling more orange

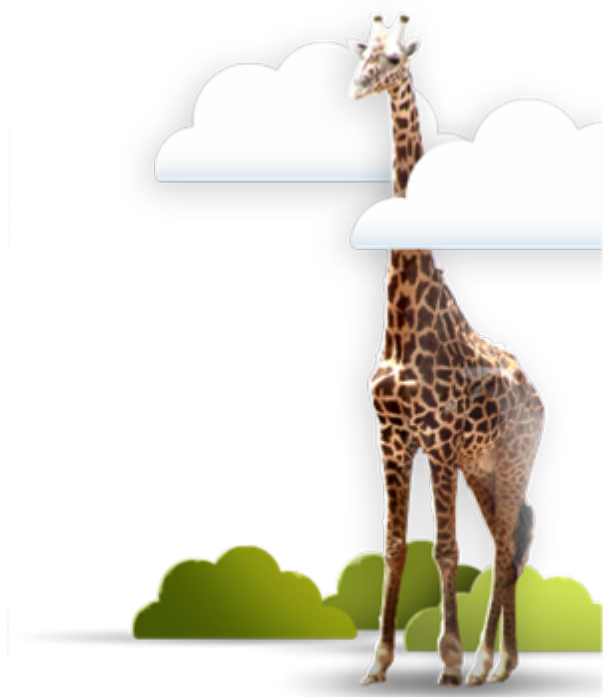
As a commercial organization we understand that relating to our environmental impact as a strategic goal creates a value common to us, to the environment, and to future generations. We attempt to improve the environment in which we live by reducing consumption, reusing equipment, recycling, and controlled waste disposal.

**Our environmental policy**

Protecting the environment is highly important to us ,and is a guiding value in our various activities. We are committed to reducing our environmental impact, to using sustainable resources, and to protecting natural resources for the sake of this and future generations. We manage our environmental impact through a comprehensive environmental management system which includes allocating resources, using environmental survey, defining objectives, applying working plans, holding training and instructional sessions, monitoring and control, expanding activities, and continual improvement. Furthermore, we take environmental issues into consideration in decision making processes.

We operate according to standard principles to reduce our environmental impact: reducing use of raw materials, reusing raw materials stemming from waste, recycling waste, and controlled waste disposal. We are committed to promoting these principles among all stakeholders.

We respect and obey the environmental laws and regulations applicable to our activities, including adoption of international voluntary standards. We operate with transparency towards our customers, employees, suppliers and all other stakeholders, while maintaining an ongoing dialogue regarding environmental responsibility issues.





## It is our responsibility to protect the environment as an integral part of our business activities.

### The way we operate

An integral part of our business activities is our responsibility to protect the environment, and we manage our environmental impact on several levels:

**1. Centralized management:** The environmental activities in Partner are managed by the VP Human Resources, who outlines the manner and direction of the activity and bears managerial responsibility. Antennae, radiation and authorizations from the Ministry of the Environment are under the responsibility of the VP Technology.

**2. Cross-organizational management:** Partner manages its environmental impact through a comprehensive environmental management system which includes allocating resources, environmental surveys, defining objectives, applying working plans, holding training and instructional sessions, monitoring and control, expanding activities, and continual improvement. These activities are accomplished with the help of personnel doing periodic audit, division coordinators, and quality trustees in the various units.

**3. Instruction:** All company employees undergo training for raising environmental protection awareness. Furthermore, professional seminars and instructional sessions are held for various personnel in the environmental management system.

**4. Dialogue:** We maintain a dialogue regarding the environment with the relevant stakeholders:

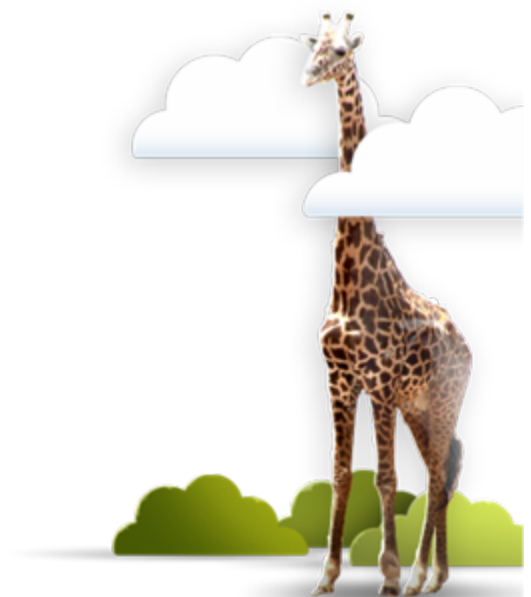
- **Standards and voluntary organizations:** We operate on the basis of ISO14001 international environmental management standards and are currently completing the final steps for compliance with it. Furthermore, we operate in the spirit of the chapter on environmental protection in the Maala organization code on corporate responsibility management.

- **Municipalities:** We operate in full coordination and conjunction with the guidelines set out by the municipalities where company sites are located. Beyond complying with all legal requirements and regulations concerning the environment, we operate in conjunction with municipal landscape architects to ensure our transmission towers blend into the urban landscape.
- **Partners and the value chain:** We strive to reduce the environmental impact of our activities. Therefore, we require our relevant suppliers to provide permits and licenses for activities impacting the environment (e.g., waste disposal to authorized locations, sewage disposal).

### Our achievements reduce consumption and increase efficiency for a better future

Our customer base is experiencing continual growth and we are constantly expanding our service centers and call centers, the number of employees, and our infrastructure and base stations.

Nonetheless, we always strive for intelligent use of resources and do our best to prevent unnecessary waste.





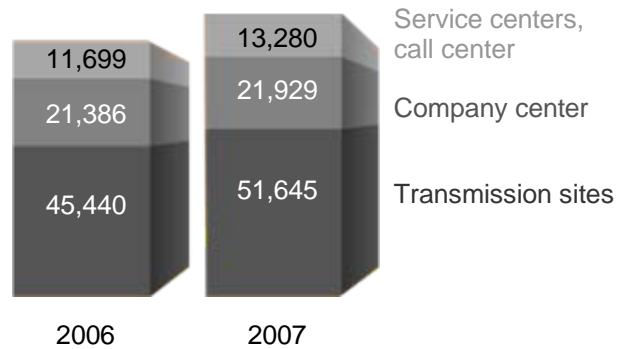
### Reducing energy consumption

As a result of our expanding activities, our 2007 electricity consumption rose by 3.2% per customer. We are continuously working towards reducing electricity consumption using the following methods:

- We are replacing some of the network's infrastructure with more energy efficient equipment. Equipment replacement began in 2007 and is expected to be completed by 2009. This is expected to save up to 7% of the electricity consumed by the equipment we are replacing.
- We are replacing the lighting system at the transmission sites (masts) with energy efficient LED lighting. The replacement will be carried out gradually over three years. This move is expected to save up to 2% of the electricity consumed.
- We are expanding out capacity for automatic switch of energy systems at all company offices and service centers. This is expected to save up to 1.5% of our electricity consumption.
- We are moving toward renewable energy. To reduce consumption of non-renewable energy sources and greenhouse gas emissions, 10% of our repeaters today operate on solar energy. Our goal is an annual increase of 10% in the number of repeaters using solar energy. In addition, we are examining the possibility of constructing a solar energy plant to supply electricity. This is expected to save up to 0.5% of electricity consumption.

### Energy consumption by sources

(in thousands of kWh)



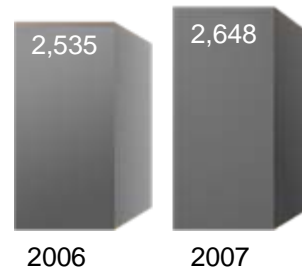


### Reducing emissions and making transportation systems more efficient

Use of generators to create energy at our transmission sites, and the company's transportation arrangements, have an impact on greenhouse gas emissions. Because of the nature of our activities, other emissions are negligible and irrelevant. We are constantly making efforts to improve the efficiency of our transportation system to reduce fuel consumption and maintain clear air.

### Transportation for employees

(thousands of kms – a drop of 4.3% per traveler)

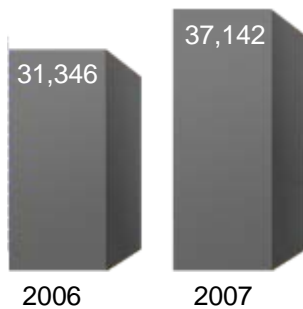


### The company fleet of vehicles

Despite the significant increase in company operations (a growth of 7.2% in the number of customers in 2007), the average number of kilometers per driver rose by only 2.4%.

#### Vehicle fleet

(thousands of kms – an increase of 2.4% per driver)



### Improving the efficiency of logistics (transportation)

Despite the increase in the number of customers, there was no change in the number of kilometers (in total, about 1.2 million), with the yearly average per customer dropping by 6.7%.

### Reducing emissions of pollutants

Reducing the emission of pollutants is made possible by in-house production of electricity using a generator, which is less polluting than direct electricity. Using the generator, we produce about 6% of the electrical consumption at company headquarters in Rosh Ha'ayin.

### Improving the efficiency of employee transportation

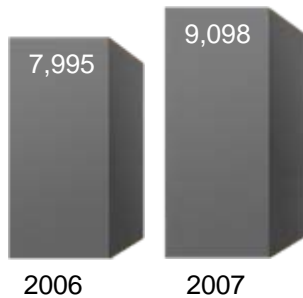
The company operates an extensive system of transportation for employees at company headquarters in Rosh Ha'ayin, thus contributing to the reduction of greenhouse gas emissions. In 2007, we improved the efficiency of the system so the average kilometers per traveler have dropped by 4.3%, in comparison to 2006.





### CO2 emissions as the result of company operations

(tons)\*



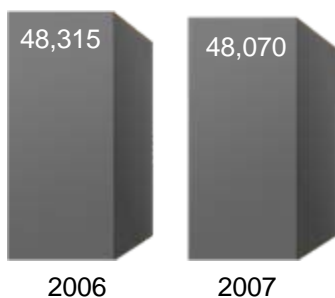
\*Direct emissions as the result of energy production, heating, generator, kilometers of the vehicle fleet, flights.

### Reducing water consumption

Despite the growth in the number of employees, in 2007 we succeeded in **reducing water consumption by about 0.5%**.

### Annual water consumption (m3)

a drop of 0.5%



### Reducing consumption and recycling waste

We view recycling as a strategic goal allowing for the creation of a value common to us and the environment. This shared value is expressed in reduced use of materials, reduced production of waste, and savings in economic resources.

### Reducing paper consumption

**bill by e-mail:** This service allows our customers to receive monthly bills and statements by e-mail. The service saves the need to print the bill and send it by mail. Sending it by e-mail also allows our customers to manage their bills in a more orderly and efficient manner. We encourage our customers to join the service by giving 60 minutes of air time to orange and Bezeq (fix line services) numbers as a gift incentive.

**Computerized forms:** This service allows our customers to use electronic forms, and to sign electronically, documents required in service and sales processes. These documents are sent to the client via email according to customer request.

**Secure printing:** Every printer is equipped with a device which allows only the employee who entered the print command to generate the printout via scanning of the employee badge. In addition, the print command is deleted after an hour should the employee fail to collect the printout from the printer. In this way, unnecessary printouts are avoided with less paper wastage.

**Electronic pay slips:** Since July 2008, the company produces electronic pay slips viewable on the company intranet. This allows our employees a more efficient way to check and file slips and saves on printing pay slips.

**Double-sided printing:** Most of the company printers are set to double-sided printing as the default mode.





## Reuse of equipment

### Reuse handsets

We encourage our customers to return handsets not in use when upgrading or buy a new one, and give them monetary credit for turning in an old handset. Some of the handsets are dismantled for spare parts, and some are sold for reuse in various countries. Furthermore, defective handsets are also dismantled for spare parts.

The rate of reused spare parts out of all spare parts used by the company stood at **20.3%** in 2006 and at **20.9%** in 2007 – **an increase of 2.7%**.

### Reusing network equipment

Most of the network equipment (second generation) we buy is refurbished, both for new sites and for maintaining existing ones, i.e., we reuse this network equipment, and thus reduce the consumption of new equipment.

## Cell phones, the network and public health

**We take the utmost care to oversee all aspects of the system of transmission and handset equipment.**

The impact of cellular transmissions on human health is an issue which has recently gained a lot of public attention. An explanation follows of the transmission of the cellular network operated by radio waves, a transmission method that has been part and parcel of life everywhere for over 100 years.

### How a cellular network works

Our cell phones maintain a complex relationship with base stations and antennae spread throughout the city, using radio waves without which it is impossible to make or receive calls.

When the phone is turned on, it transmits a signal to the nearest base station, which is identified in the cellular network, according to which it is possible to direct calls to it from any location.

Every base station manages the transmission of calls for which it is responsible in a geographical area

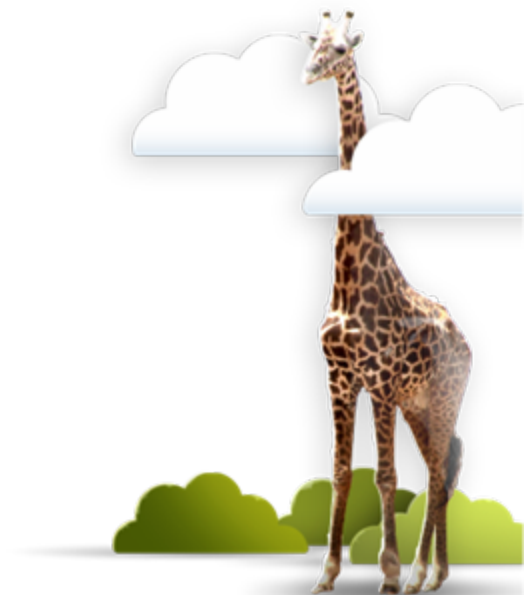
called a cell. The base station follows the strength of the signal transmitted by the cell phone. When the strength of the signal is lower than required it means that the cell phone user is too far from the base station serving that phone.

The moment this happens, a different base station, (closer to the user), takes over. Therefore, in order to maintain good cellular coverage, it is necessary to have base stations capable of covering every area where we may want to make or receive a call.

The connection between cellular phones and the base stations happens as the result of electromagnetic radio waves, the exact same type of transmission used in radios, computers, TVs and other devices we use in our everyday lives.

### The levels of transmission on a cellular network

another we tend to speak more loudly and even shout to be heard, but when we are closer together we do not have to talk as loudly, and may even whisper. Therefore, a larger number of antennae will result in lower levels of transmission, and the level of radiation emitted from them will be reduced.





A large number of base stations are also important for a high level of reception of the cellular network, a factor in providing good geographical coverage. The level of radiation emitted from an electromagnetic transmission of cellular antennae is under constant international and local supervision, to reduce as much as possible any conceivable risk to public health.

The recommendations on standards have been set by the **ICNIRP-International Commission on Non-Ionizing Radiation Protection** and adopted by the World Health Organization. Based on Ministry of Environmental Protection guidelines in Israel, all cellular antennae in Israel have to meet a standard ten times more stringent than the World Health Organization recommendation. Partner antenna meet the recommended standard of the Ministry of Environmental Protection. The level of radiation allowed in Israel, which is under the constant supervision of the Ministry of Environmental Protection, is lower than that in many other countries including Holland, England, Spain, Sweden, the United States and many other countries.

### **Transmission strength and radiation levels of devices**

The recommendations of the IRPA/ICNIRP from 1998 require that the power absorbed by every unit of head tissue weighing 10 g not exceed 20 mW, i.e., 2W/kh => SAR.

This level defines the maximal electromagnetic power permitted for the general population in Israel and around the world. These standards also include significant safety factors intended to protect all people without regard to age or health. Every model of cellular devices sold in Israel and around the world is manufactured so that it will not exceed the maximal exposure to radio waves (RF) which was determined by stringent international standards and, here in Israel, by the Ministry of Industry and Commerce.

Testing to determine the maximal level of radiation emitted by the device's transmission is done on

every device when it is transmitting at its highest possible output, and in the entire range of frequencies in which it is licensed to operate. In practice, cellular devices are programmed to reduce their output and operate at the lowest possible power, and still enable reception by the cellular network.

These tests are done when the devices are intact and whole. It is important to note that tampering with the device or altering it in any way is liable to change the transmission output of the device. For more information on radiation emitted by devices in transmission, please see the informational booklet attached to every device, or go to the forum at the [Infocell website](#).

#### **For more information on the subject, please visit:**

The website of [The Ministry of Environmental Protection](#)

The website of [The International Commission on Non-Ionizing Radiation Protection](#)

The website of [The World Health Organization](#)

To contact us regarding environmental protection, please write us at [environment@orange.co.il](mailto:environment@orange.co.il)





better future

2007 Partner Communications Corporate Responsibility Report

# our customers





## **2.86** million customers we are committed to every one one by one...

- ✓ Committed to progress
- ✓ Committed to exceptional quality
- ✓ Committed to uncompromising service
- ✓ Committed to fairness
- ✓ Committed to transparency
- ✓ Committed to accessibility

Our belief is that the success of our customers is our success. As this concept lies in the basis of our vision, we are committed to tariffs and service with the utmost transparency and fairness. We are committed to supply our customers with the state of art technology within our services and products. We ensure that the customer's interests are met while engaging with handsets providers.

---

### **Product, marketing and our customer's policy**

we treat our customers with the utmost respect, fairness and un biased approach. We supply products and services that meet the needs of the customers and of populations with special needs. We provide safe to use products and we make sure that our service is accessible to all our customers, including those with disabilities.

We offer our customers advanced communication solutions, extensive information about our products and services and customer service that is efficient, courteous and innovative in its uncompromising quality and professionalism, while strictly protecting the customer's privacy.

We maintain an ongoing dialogue with our customers to ensure continuous improvement of products and services to reach the highest customer satisfaction.

We are committed to transparency and truth in advertising; we take into consideration the sensitivity of the different population segments thus avoiding the use of violent or exploitive content in our advertising.





## The way we operate

**Centralized management:** Customer service at Partner, for business and private customers, as well as retention, is managed by the head of the Customers Division (VP) and the head of the Business Division (VP). Marketing, content and handsets are handled by the head of Marketing and Content Division (VP).

**Dialogue:** As a company striving for excellence of customer service, we focus on putting the customers at the center of our day-to-day operations and strive to increase their satisfaction.

To identify and define customer needs and aspirations and meet them, we maintain dialogue mechanisms through a number of channels and monitor customer satisfaction using various methods. In addition, we collaborate with various organizations to find advanced solutions ensuring accessibility of our products and services for groups with special needs.

**Products and services:** Our customers enjoy a variety of advanced and innovative products and services.

**Training:** Based on the understanding that providing excellent service requires appropriate professional skills, we invest in training and instructing our employees using a variety of courses and workshops, all emphasizing the importance of excellent service.

**Fairness in marketing and advertising:** We market and advertise our products in a fair, dignified and responsible manner that appeals to all segments of the populace, avoiding violent, explicit and exploitive content.

**Safety:** Our customers enjoy safe products. They have been carefully inspected and meet the stringent standards as required by law.

**Clarity and transparency:** Our customers are entitled to complete information about our products, plans and services.

As part of our managerial strategy, we ensure our tariffs are transparent and supply full information as required by law and beyond.

## Our achievements

**Placing people first, placing relationships at the center of activity, day-to-day.**

### Dialogue with our customers

We emphasize on customer service, invest in monitoring customer satisfaction and in determining how we can improve. The dialogue with our customers takes place in a number of ways, and includes a number of mechanisms to identify customer needs and to preserve the high level of customer satisfaction:

**Ongoing contact:** We encourage our customers to contact us through a number of channels available to them:

- Customer service call centers
- Service and sales centers
- Customer relations department
- The orange website which allows self-service
- Contacting us via email

All advertising material sent to our customers invites them to contact us about any issue at any time.





**Customer satisfaction surveys:** We operate periodic and ongoing surveys (monitoring customers engaging with call centers or sales and service centers) and designated surveys. We analyze and discuss the information gleaned by the surveys and, whenever necessary, determine goals for changes and improvement. As a follow-up we measure the improvement using additional surveys and feedback from our customers and employees.

**In 2006 and 2007 the average score of our customer satisfaction surveys was above 9 points** (out of 10).

**Immediate response:** When data on surveys indicate lack of satisfaction, an agent from the relevant department contacts the customer within three working days in order to deal with the problem.

**Quality of service:** We undertake continuous quality control of the service provided to customers, using the surveys mentioned above, as well as undercover customers visiting the service centers and contacting the call centers. In addition, we operate a system ("cooperation and feedback") available for all representatives to report problematic service encountered in the course of their work.

A designated team whose objective is monitoring customer calls (both frontal and call center), submit written reports to unit managers regarding the service quality and the representatives' skills, and identifying processes requiring improvement.

**Protecting customer privacy:** We take great care to protect customer information privacy. This applies both to the use of secure information systems and to working procedures.

## Dialogue with our suppliers

We maintain an ongoing dialogue with our suppliers. We recognize their needs and strive to help them grow and develop. We have begun to assimilate a system that will allow suppliers access to information on various topics relating to common business activities (purchase order status, invoice status, date of payment etc.). We strive to strengthen our ties with our suppliers in the near future, and to develop additional mechanisms for dialogue, such as suppliers' conferences and satisfaction surveys.

## Products and services

We provide our customers with a variety of exciting products and services at the forefront of technology. Additional information about services and products may be found at our website [our website](#).

## Training

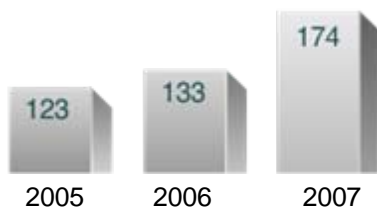
The continued growth in the number of our customers, the technological innovations and the changes in the telecommunications market, present us with the challenge of training a professional work force, to meet our high standards of excellence in service.

- In 2007, we increased the number of training courses for our employees in the customer service division.





**Number of training courses for new employees** - increase of 31%



The number of representatives successfully taking the training course increased to 92.7% in 2007, compared to 86.73% in 2006.

- We developed our training courses by reanalyzing the function of a service representative, and constructed a more integrated course to train personnel on the basis of issues they will face. We also developed e-learning training for self study.
- **Number portability:** One of the most significant challenges of 2007 was preparing for number portability. Our preparations for staff training to handle existing and potential customers as part of this process involved training **2,600 employees** in **164 training cycles**, over a period of 6 weeks. For this purpose, we trained 55 instructors and organized 36 training days. We held 10 large conferences and developed ten different units of e-learning for self study.

**What is number portability?** As of December 2007, in accordance with Ministry of Communications guidelines, customers of all communications operators in Israel can switch from one network to another at no cost in a short and easy process, and still maintain their original phone numbers, including the prefix. This move necessitated comprehensive preparations on the part of the company in many aspects of its operations.

**Marketing communications**

We take a responsible approach to advertising reflecting the values and character of the orange brand: friendly, straightforward, global, honest, technologically advanced, optimistic, dynamic and surprising. We therefore avoid offensive, violent or explicit messages. We operate according to the brand rules, which guide us in using fair language of communication, avoiding messages exploiting children and youth. As we offer our products and services to all segments of the Israeli populace, we ensure communication with our customers and potential customers in their mother tongue (Hebrew, Russian or Arabic) and adapt our services to their needs.





## The safety of our devices and protection against inappropriate content

- All handsets we market undergo strict testing by the manufacturer, who provide us with certificates proving they meet Ministry of Environmental Protection and the Ministry of Communications standards .
- We prevent incidental and accidental children's access to contents in the cellular portal intended for adult consumers through a mechanism known as "Safe Adult Identification" (according to the regulator's requirements). The client is asked to enter an ID number and year of birth to enable a match check against data from the Ministry of the Interior, through an interface at the cellular portal.

## Accessibility of services and products

As a leading company, we are committed to supplying our customers with the most advanced handsets and services, allowing accessibility for everyone.

Among our activities:

- Our network covers 97% of the population.
- There are thirty-one service and sales centers are spread throughout Israel (correct as at December 31, 2007).
- At mass events and conferences, as well as during emergencies, we deploy mobile network equipment through a support service with our staff attending the event.
- We offer our customers service and marketing contents in a variety of languages (Hebrew, English, Russian and Arabic), and through a range of means (frontal service, telephone service and service through the company's portal).



- We adapt our services to the needs of different groups. We have special plans for soldiers, students, families and different segments of the populace.
- At Partner, the word "accessibility" means giving every customer an equal and fair opportunity to receive service through its various channels.

In 2004, in order to implement this objective, we received a thorough, professional and detailed report from the non-profit organization **Access Israel**, allowing the accessibility to be applied and integrated into the company.

Since then, we operate on the basis of cooperation and dialogue with Access Israel.

All service and sales centers are accessible to the handicapped. Eleven are accessible beyond the standard required by law and include service and sales counters adapted for wheelchairs. Eight are also equipped with a kit helping the hearing impaired to hear the service representative more clearly.

As part of our policy to improve customer accessibility, every new service and sales center, as well as every existing center undergoing renovations or change, is adapted for use by the disabled as described above.

- We market devices designed for the elderly, the vision and hearing impaired (large screen and keys, enhanced tones and sound).
- We market unique ear buds for the hearing impaired which are adaptable to various hearing aids.
- We provide third generation video conversation service, allowing the deaf and hearing impaired to communicate using sign language





## Transparency and clarity of information

- We supply full information regarding the handsets we market: the features of the product or service features, the technical specifications of the handsets and instructions for use, the complete cost, data on meeting standards of non-ionizing radiation, and more. This information is readily available at the service and sales centers, on our website, by telephone, and in the marketing materials sent periodically to our customers.
- We strive as much as possible to simplify the plans we offer, for our customer's benefit and for the benefit of our service and sales representatives. We strive to reduce the number of tariff packages plans in order to minimize the information to which our customers and staff are exposed to. However, we maintain an array of tariff packages plans to be able to offer suitable solutions to all sectors of the public. We reduce the number of components in our tariff packages plans and define simple pricing mechanisms that allow our customers to understand precisely what they are getting with each plan purchased.
- **orange just for you:** We supply our customers with information and recommendations about the plans likely to save them money on their monthly bills. These plans are constructed on an individual basis to match the calling habits of every customer. The information appears on the monthly statement.

## Prizes and awards

### Number 1 in customer service.

Prize for customer service in Israel awarded by the Israeli Institute for Management

In 2002-2004, Partner won the first place in the communications category, as well as the prize for best service in the Israeli market.

Additional prizes for service

From 2005 to 2007, Partner won top honors from "Yediot Ahronot" newspaper as well as in public opinion surveys conducted by "Globes" and "The Marker" financial newspapers.

### Number 1 brand.

"Globes" ranking of brands

For five consecutive years (2004-2008), orange was chosen as the leading brand name among the communications brand names in Israel, and took second place in overall Israeli brands, as ranked by "Globes".

### EFFIE

From 1999 to 2004, the company won the EFFIE PLATINUM award for excellence in marketing, demonstrating outstanding effectiveness and achievements and in 2005, the EFFIE award in the Effective Advertising and Marketing competition. The company also took the Best Marketing Campaign prize for 2006 (EFFIE competition, Israel Center for Management, July 2007). In 2007, Partner took first place in the EFFIE competition for best marketing-business move in the category of communications, the media, high-tech and computerization.

### "The Marker"

The company won the prize for Most Innovative Brand in Israel and Most Influential in the Field of Communications honors awarded by "The Marker" (June





better future

2007 Partner Communications Corporate Responsibility Report

# our employees





## Over **5000** employees from all over Israel representing every social demographic group in the country

Striving to create together a more **challenging, satisfying, empowering and safer working environment**

We strive to create a challenging, satisfying, empowering and safe working environment for our employees, an environment that, in practice, will daily reflect the values our brand represents on a day-to-day basis. The importance of our employees' contribution to the company's success and goals is reflected in Partner's vision. The challenge before us is to operate on the basis of this vision, while recruiting and preserving a top-quality work force in the reality of a very competitive job market.

---

### Our policy of working environment and employee rights

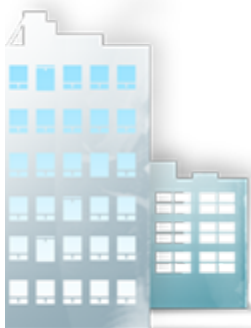
Partner honors and maintains employee rights, avoids preconceptions and prejudices, and gives everyone an equal opportunity. We respect the cultural, religious and social needs of all of our employees, and strive to extend equal employment opportunities without regard for religion, race, gender, nationality, origin or sexual orientation. We view our employees as the source of our strength and make sure they are treated with respect, are paid a salary which allows them a dignified existence, and are able to enjoy a comfortable and advanced working environment and a comprehensive basket of benefits.

We conduct ourselves fairly and sensitively even when terminating employment and view termination as a last option.

We manage an ongoing dialogue to map out our employees' preferences and to increase their satisfaction in many areas of the company's activities.

The personal and professional development of our employees is very important to us, therefore, we emphasize participation in an array of professional training and instruction opportunities which are available to all company employees.

We hold varied and creative recreational and enrichment activities for our employees and their families. We emphasize the environmental safety, hygiene and health of our employees and the community in which we operate by allocating resources, adopting voluntary standards, and putting in place a comprehensive management system. We continuously strive to provide a unique place of employment, one which is satisfying and empowering for our employees, in line with the company's vision and values to be the very best employer in the communications industry.





## The way we operate

### Centralized management

Recruitment, employment, training and organizational development, and employee welfare and safety are managed by the VP Human Resources.

### Dialogue

Our employees are an inseparable part of the company's success. It is important to us to know what they think and where, in their opinion, we need to improve. We consult with our employees on a range of topics, survey the level of employee satisfaction, present them with goals, give them feedback on their performance, and plan together their professional future at Partner.

### Training, instruction and enrichment

We invest a lot in development of professional training because we know that our employees' professionalism will help us give excellent service to our customers. To advance employee development, we hold enrichment seminars on a range of subjects. In addition, we train and instruct company employees and managers on the subjects of fair employment, employee rights, and sexual harassment prevention.

### Partners and the value chain

We demand all subcontractors with whom we work be fully compliant with employment laws and regulations and are developing methods of enforcement in this area.

### Safety and hygiene

We operate according to the OHSAS 18001 international health and safety standard and are making final steps to comply with this standard. Likewise, we operate a safety committee representing both the executive echelon (VP Operations is the executive's representative to this committee) and the employees in the units authorized as safety trustees.

## Our achievements

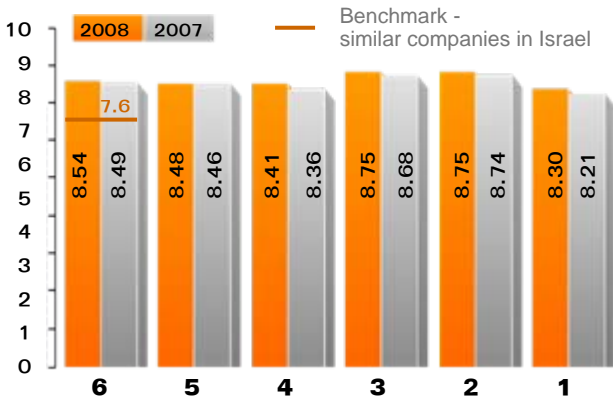
### Being orange on the inside!

#### Dialogue

Our employees are real partners in the company's success and their opinion is very important to us. To allow their frequent expression, employees have access to channels of dialogue through which we initiate improvement processes.

- **Annual opinion survey:** As part of our ongoing efforts to improve employee satisfaction, we conduct an annual opinion survey of all company employees. Over the past three years the participation rate has been between 92% and 94.6%. The sections of the survey cover the employees' feelings about themselves, the team, the direct and indirect managers, the organizational culture, and general satisfaction with work and the company. The results of the survey have been improving consistently and are significantly higher than the benchmarks of similar companies.





- 1 - Enthusiastic about working for Partner
- 2 - Proud to work for Partner
- 3 - Effort and commitment to Partner
- 4 - Loyal to Partner
- 5 - Recommends working for Partner
- 6 - General satisfaction

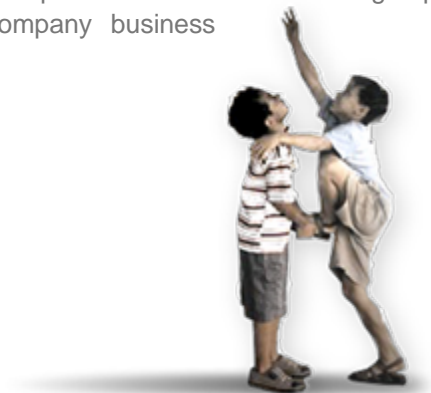
A measure of the importance the company attributes to this subject is the fact that opinion survey results are part of the company goals, alongside our economic and business performance.

■ **Employee goal-setting and feedback:** At the beginning of each year we set goals for our employees on the basis of our annual working plan. At the end of the year, we hold a feedback session to discuss the goals achieved. The goals of this feedback meeting are to enhance the manager-employee dialogue, create a sense of belonging and partnership, improve employee performance, identify skills needing improvement, and motivate the employee to grow and develop. The employee receives feedback about attaining the goals set at the beginning of the year (or when hired), the rate at which employee conduct matches Partner's values, and a general assessment in a face-to-face



meeting. In 2007, 98% of company employees (employees who met the criteria, e.g., having worked for the company for at least three months) received feedback on their work.

- **Immediate recognition of success:** In addition to periodic bonuses, we recognize, appreciate and reward personal and group excellence, such as completion of a task before the deadline or below budget - while still maintaining the requisite standards, special achievements in strengthening and assimilating the brand name and company values etc. Recognition occurs immediately using the OTS (On The Spot) recognition system available at any time to managers.
- **Horizon program:** A designated conversation for customer service representatives to test potential employee development and advancement within the company. These conversations take place eight months after an employee commences working with the company.
- **Internal tenders:** We open the majority of new positions to our employees through an open internal tender before going outside the company. Over 60% of positions offered are staffed by internal mobility of company employees and we strive to retain this rate.
- **Cooperation survey:** We hold an annual survey among company managers to assess the rate of internal cooperation between the units within the organization. The marks for intra-organizational cooperation for 2007 were better than those in 2006, and higher than the goal we had set for ourselves. As with the opinion survey results, the inter-unit cooperation results form an integral part of the company business goals.





- **Intra-organizational satisfaction surveys:** A range of units within the company assess their own service performance on an ongoing basis, analyze the results, and draw operational conclusions.
- **Welfare department:** Our employees are partners in determining cultural activities, and participate in choosing artists, shows and events, and express their level of satisfaction with every activity using a computerized set of surveys.
- **Salary department:** Once a year, employees are invited to give feedback to the salary department regarding the service received.
- **Training and organizational development division:** At the end of every training program or conference, employees fill out a feedback form about professionalism, relevance and other parameters, to learn operative lessons and bring about immediate and continued improvement.
- **Focus groups:** From time to time, our employees participate in focus groups to make them active partners in the shaping, managing and performance of projects in different areas, such as community empowerment.
- **Complaint box:** Our employees are invited to offer suggestions or criticism on a range of subjects using the complaint box in the office of the company's chief internal auditor. The chief internal auditor relates to every suggestion and criticism with the utmost seriousness, even when submitted anonymously.
- **Coffee with the CEO:** This unmediated meeting takes place monthly and brings together the CEO and twelve employees or managers. For employees, the meeting represents an opportunity to meet the CEO in an intimate forum and express their opinions on a variety of topics. For the CEO, the meeting is an opportunity to bond directly with the people in the field, be exposed to information, and transmit executive and cultural messages. The meetings are documented and discussed at the executive meetings, and provide material for working plans. These meetings thereby contribute to quick solutions, and represent a platform for new ideas. A summary of the meetings is sent to all participants.
- **orangelDea:** In mid- 2007, a channel was opened for all employees to generate ideas for improvement. Employees whose ideas are accepted and implemented are rewarded for their initiative. **In 2007, 383 ideas were generated in this fashion, 17 of which have already been accepted.**
- **Direct line to the CEO:** Partner has a site, on the company's intranet, inviting employees to share their feelings, ideas, suggestions, questions and requests with the CEO. Via this channel, 2-3 contacts are made daily, and the CEO responds to the employee within two working days. The employee is free to choose whether or not to publish the issue.





## Training, instruction and enrichment

### Our organizational training and development division is in charge of

- Developing and operating courses for training new personnel.
- Constructing programs to strengthen and develop knowledge based on the needs of different units.
- Constructing specific training for new company systems or processes.
- Providing professional and life skills through courses and workshops.
- Developing the organizational culture.
- Developing and training managers.

The organizational development department helps the organization achieve its business goals by providing a report to management and managers at different levels and creating activities for improving performance, maintaining “the spirit of orange,” overseeing organizational changes and helping to assimilate them.

#### ■ Professional training

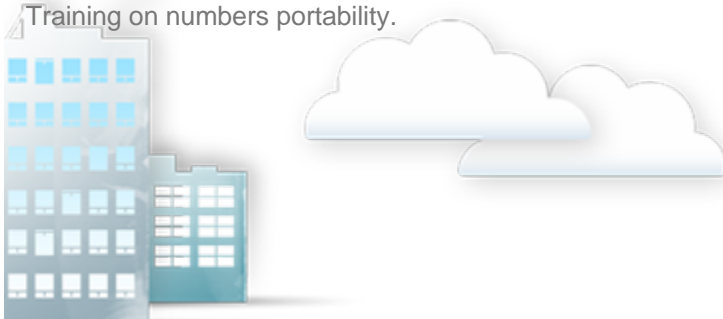
Average number of training hours per employee:  
 New employees on assuming their position:  
 A month-long course.  
 Employees: Four days annually on average.  
 Executives: Six days annually on average.

**In 2007 there was average of thirteen training days per employee.**

#### Main training topics in 2007:

Basic courses on assuming position.  
 Management development programs for every echelon: junior, mid-level and senior management.

Training on numbers portability.



## Enrichment activities

During designated weeks throughout the year, day-long seminars and enrichment activities are held on a variety of topics, such as quality, finance (how to manage your money), sports and health. Employees living far from company headquarters and interested in workshops participation are eligible for transportation at company expense and even overnight stays in certain cases.



## Scholarships

Partner offers excellent employees scholarships for academic studies. In 2007, the company awarded 81 scholarships, with the average scholarship worth over NIS 5,000 (gross).

## orange college

We offer our employees the opportunity to combine academic studies with work, and offer them a range of degrees, diplomas and special courses both at company facilities and by providing benefits to be used at various institutions.

**Examples:** B.A. in conjunction with the Open University and the College of Management. M.B.A. in conjunction with the College of Management. Practical engineers can complete their studies towards full engineering degrees. Courses such as mediation, project management, managerial development and more.

**In 2007, 254 employees took advantage of these study opportunities.**





## Fair employment

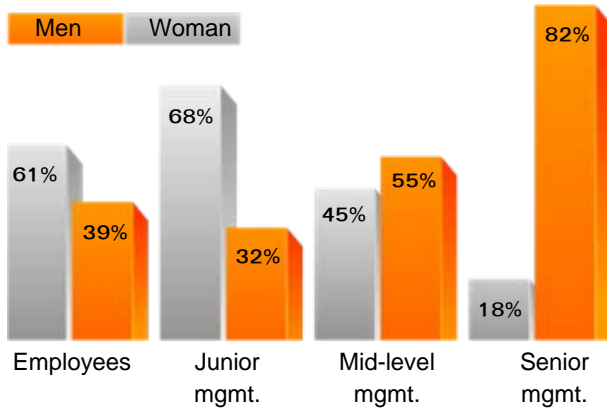
Because we strive to recruit and preserve top-quality personnel and because we believe in the values of leadership and fairness, we provide our employees with conditions and benefits beyond those required by law, taking into consideration matters relating to employee welfare, making a dignified living, job satisfaction, fairness and economic considerations.

- Our employees are entitled to salaries and social conditions beyond what is required by law, some from the beginning of their employment and others from their second year.
  - We require all of our subcontractors to fully comply with employment laws and are currently in the midst of developing an enforcement procedure in this area.
  - Our employees enjoy a unique medical insurance plan covering screenings, testing and treatment for pregnant women, and solutions for situations involving serious illnesses. The company finances this for some employees from the beginning of their employment and for others from their second year. The benefit is taxed.
  - The minimal pay at Partner is some 10% above the minimum wage in Israel (this is relevant in the employee's first year of employment only; afterwards, there are significant improvements both salaries and terms of employment). Likewise, from time to time, the company gives its employees incentives and/or bonuses based on its considerations and in accordance with employee performance.
  - The salary base for calculating social benefits for our sales staff includes their sales commissions.
- We are working on improving the transparency of our employees' salary components:
    - At the commencement of their employment, all employees receive a detailed explanation of their employment terms and pay slip. This information is constantly available to all employees on the company's intranet system. In June 2008, designated courseware was launched for representatives of the customer and the sales representatives, enabling independent access to a range of information about the pay slip.
    - As of July 2008, the company is changing over to a computerized pay slip displayed on the company's intranet. This will allow a more convenient and efficient way for employees to check their salaries, provide continuous access to information and of course, save paper.
    - We provide equal employment opportunities to all candidates, and select employees on the basis of professional criteria alone, without favoritism or bias.

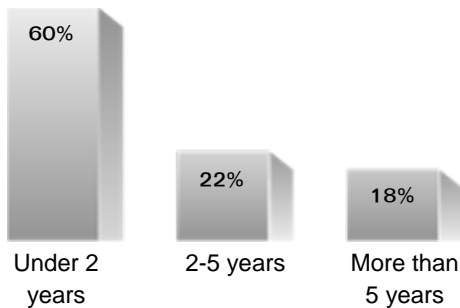




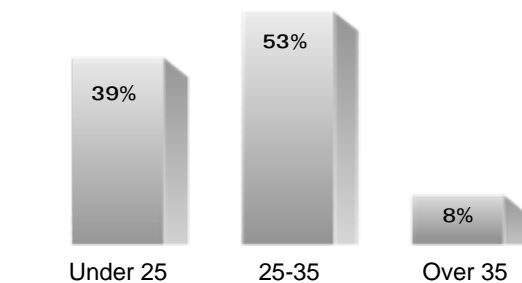
### Employees by gender



### Employees by seniority



### Employees by age



### Termination of employment

We view termination as a last option and make great efforts to avoid it. However, when we are required to terminate employment, we do so with strict adherence to the law, giving advance notice as required by law, as we state in our employment contracts, and in some cases even beyond what the legal requirements. We attempt to avoid termination of employment during the holiday season.

### Diversity in employment

As an organization employing over 5,000 people in the State of Israel, we view equal opportunity of employment as both important and right. We employ people from all over the country, from all shades of the social spectrum, and treat our employees with equality without regard for differences of religion, race, gender, age, origin, nationality or sexual preference.

One example among many of diversity is the telephone service center opened in Jerusalem in April 2006. Staffed by male and female service representatives from the ultra-Orthodox Jewish community, operation at this center were modified to suit the needs of the community: female service representatives work morning hours while male service representatives work during the afternoon and evening, thus attaining complete separation between men and women. Similarly, we extend utmost consideration for the special needs of this community in terms of working hours before the religious holidays and on the intermediate days of Passover and the Feast of Tabernacles. Our employees from this sector of the population can enjoy food that carries the kosher supervision of the ultra-Orthodox community and cultural activities especially planned with the community's needs in mind.





## Employee welfare

Our concept of employee service takes the theory of the company's values - **experience, uniqueness, togetherness, possible** - and translates them into practice. The goal of our welfare department is to surprise, excite, renew and work in a proactive manner to create unique and meaningful experiences for our employees. Therefore, the welfare department operates on the basis of defining and meeting goals, thinking outside the box and paying attention to detail.

We work to adapt the activities to the organizational culture of "in the spirit of **orange**" but we are also careful to take different communities within the organization into consideration.

We are in a state of constant dialogue with our employees and accept suggestions for activities and services.

- Transportation, subsidized meals, gifts before every holiday, gifts on personal occasions (birthdays, weddings, births) and more.
- Services for our employees at company headquarters include a pub, gym, synagogue, banking services, movie theatre (open in the summer), laundry and dry cleaning services, sales of bread, flowers and chocolates before the weekend, film processing, DVD rentals, travel agency and more.
- Activities include trips, shows exclusively for employees, movies, social events, events to celebrate holidays, lectures, workshops, dance nights, fairs, departmental and divisional activities during working hours, staff weekends, and events to enhance group cohesion.

- Furthermore, we also arrange events for the whole family, including summer camps for the employee's children, distribution of schoolbags to children entering first grade, hiring employees' children for summer jobs, and more.

We frequently survey our employees' satisfaction with these events to ensure constant improvement and greater efficiency.

The results of the most recent surveys indicate that company employees are satisfied with the welfare activities we provide (a score of 8.1 of 10), and 79% of employees think the activities have contributed to their feeling that Partner is a good place to work. The satisfaction scores given to each activity indicate a high level of satisfaction (the vast majority of scores are 8 and 9 out of 10).





## Preventing harassment

We strive to provide our employees with a safe environment free of discrimination and harassment of any kind. To this end, we have appointed a senior authority in the company – the division manager for recruitment, community relations and employee relations – to handle harassment, discrimination and violation of employee rights, and provide relevant instruction.

The division manager holds proactive training sessions for employees and managers on the subjects of employment law and prevention of sexual harassment. Likewise, the managerial authority investigates every complaint on these matters, even if submitted anonymously, draws conclusions and works to implement them.

In 2007 we also began distributing e-learning courseware about sexual harassment to company employees and managers.

In 2007, no complaints on the basis of discrimination were submitted, however, two sexual harassment complaints were submitted. Both were found to be cases of inappropriate behavior on the part of managers but not sexual harassment, and were handled as such.

## Awards

A survey was carried out by the financial newspaper, "The Marker", and BDI-COFACE, ranking the 50 best companies to work for from 500 Israeli companies. Reflecting a broad look at companies in the Israeli market using a range of parameters that create a successful and leading company, Partner was ranked first among communications companies in 2006 and 2008. (In the general ranking, Partner was ranked second in 2006, fourth in 2007, and third in 2008).

Continuing to be the best communications company to work for in Israel is a top priority for Partner in 2009

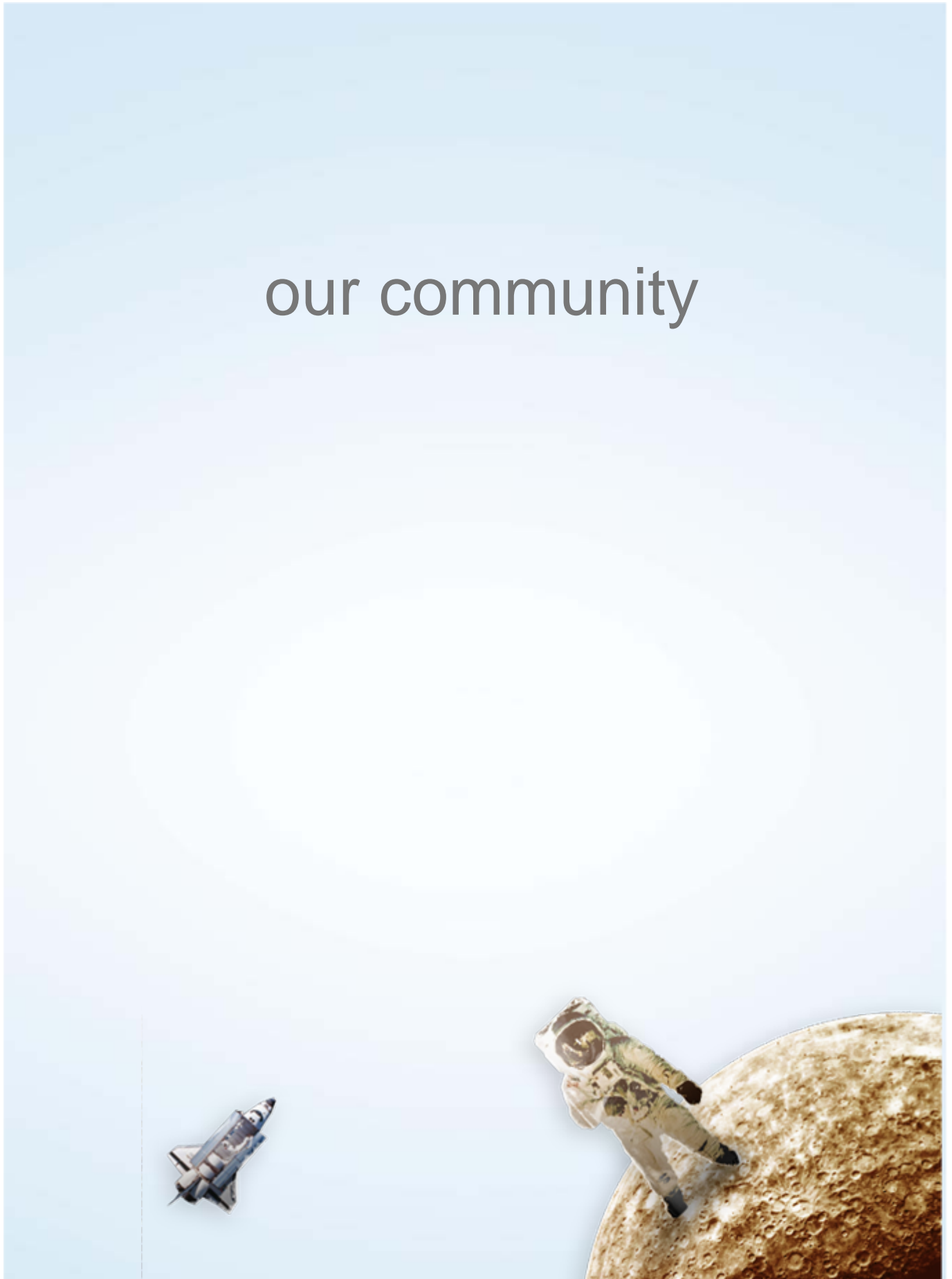




better future

2007 Partner Communications Corporate Responsibility Report

# our community





**To be a part of something bigger**

**To be a part of a colorful, complex and varied community**

technological **education**  
participation and **partnership**  
support and **enrichment**  
give and **get**

as doing good makes things better for us all

**today and tomorrow – for the future**

Our theory is that investment and involvement in the community comprise a value for both the community and ourselves; for our generation and generations to come.

Our aim is to focus on providing capabilities and not only the outcome.

We believe the nation's strength lies in its citizens and education is a key for minimizing social gaps and changing the face of the community.

As a technological company in the field of telecommunications, we work to improve and empower Israeli society through projects of education in the areas of communication and technological skills focused on children, youth and those with special needs in Israel's geographical and social periphery. This approach enables us to create a profound relationship with the community which enriches and empowers both of us.

As part of our strategic approach, having analyzed the gaps and mapped the risks, we adopted a policy reflecting our values and vision.

We carry out our ongoing activities based on the company's policy. Reports of these activities are brought to the board of director meetings.





## Our policy

Partner sees itself as an integral part of the Israeli society and works to enhance its strength and success.

We work within the populations in the geographical and social periphery of Israel and within communities with special needs. We view both elements as a key to improving society and to minimizing the social and cultural gaps in Israel.

As a technological company in the field of telecommunications, we make use of our abilities and resources to further develop projects that will provide tools for the development and education in the targeted populations in the areas of technology and telecommunications.

We maintain an ongoing open dialogue with the community and believe in being involved in social activities.

In order to achieve employee involvement in the community, We encourage our employees to volunteer, and we manage an array of programs that allows every employee to contribute and make a difference.

Partner will continue to do so for the sake of our future and for the future of coming generations.





**The way we operate**  
**Involvement, participation, initiative**

We see ourselves as an integral part of the community. Therefore, managing community involvement is part of the company's overall strategic philosophy.

For that sake we use several support mechanisms:

**Centralized management**

We operate a special committee for community relations headed by the CEO, with the participation of VP Human Resources, VP Customer Division, the company spokesperson, marketing and finance division representatives, the legal counsel and the community relations and corporate responsibility manager. The committee meets monthly to identify needed action and initiate community activities.

**Dialogue**

To ensure that our activities indeed promote our goals of empowerment and improvement in the Israeli society, we periodically convene quality control groups among various population segments and among company employees.

**Focused management**

As a consequence of this issue's importance, we employ a full-time community relations and corporate responsibility manager, whose responsibility is to map out risks and opportunities. In addition, the community relations and corporate responsibility manager is responsible for making recommendations to the committee planning, implementing and controlling project plans, handling budgets, and managing interfaces with various stakeholders.



**Our achievements**  
**Better communication for a better future**

**Advanced technological & communications**

education "An Invitation to Silence" – an exhibition at the Holon Children's Museum: Wherever people are, there is communication. We, therefore, chose to sponsor the exhibition "An Invitation to Silence," an experiential exhibition creating an exciting and unmediated meeting between the hearing and the hearing impaired. The exhibition allows those who hear to be exposed to new means of communications, learn their parameters and how to recognize them – i.e. forms of non-verbal communication – and see how the physical disability of the hearing impaired can be a powerful, instructive and thrilling tool. In addition, hearing people are given an opportunity to conduct a dialogue with the hearing impaired, erase stigmas and bring the two worlds closer to one another. One thing demonstrated in the exhibition is how advanced technological solutions such as third generation technologies of cellular communications enable the hearing impaired to communicate.

"I am someone with many identities: a deaf person, the daughter of two deaf people, a mother, a woman, a wife. It's all a mix, but deafness has a strong presence in each of my identities. Now, for the first time, I can place my deafness in a secondary position and allow other things to be expressed. When I come to work, my world isn't divided into two. My world is one."

Tali Elimeleh, guide, "An Invitation to Silence"





■ **Computer rooms:** In 2001-2007, we built over 46 computer rooms and provided over 600 computers, from Kiryat Shmona in the north to Eilat in the south. Because of our commitment to technological fairness and accessibility, we also built computer rooms in the centers of population in the front lines, such as Margalioth, in Arab centers such as Kfar Kassem, and in development towns such as Or Akiva and Yeruham. Likewise, we built a computer room in the village of Aleh Negev for children with disabilities, a room especially modified and adapted to their unique needs.

■ **Technological summer camp:** In 2001-2007, we initiated a project of computer and communications-based summer camps for outstanding children in disadvantaged areas throughout Israel. Over 2,300 schoolchildren have participated in these camps over the years. Beyond acquiring technological knowledge and accessing advanced technologies, the children in these camps are given a rare opportunity for cross-cultural encounters: native born Israelis, new immigrants from Ethiopia and the Russian Federation states, children from the Arab sector, and children from the ultra-Orthodox community. We believe these encounters encourage tolerance among the children who represent the future of Israeli society.

■ **TAASYEDA:** For six years, we have contributed knowledge and provided enrichment and development programs in the field of communications for TAASYEDA, the educational branch of the Manufacturers Association of Israel. TAASYEDA is an educational center teaching schoolchildren in elementary schools, middle schools and high schools about technology through interactive learning thus introducing them to the world of communications.

Every year, over 15,000 schoolchildren from all sections of the population visit the center which represents, among other things, an meeting place for children and youths from every sector of Israeli society.

■ **The flag project:** We also emphasize the efficient use of resources in terms of community empowerment. Therefore, we are focusing our future activities on a central project which will not only reflect the values of advanced technological education and reduce social gaps, but also offer an efficient response to community needs. By focusing activity around the flag project, we will be able to gauge the measure of the effectiveness of giving, and continue with our ongoing efforts for improvement in this sphere too. Before choosing the flag project, we held a dialogue with the community through a comprehensive study using control groups including representatives from peripheral areas and the center of the country, as well as Partner employees. The chosen program will begin during the course of 2008 and be presented fully in our next corporate responsibility report.





## Encouraging employee involvement

Partner employees share the belief that contributing to those in need ensures a better future for everyone. This is clear from the participation of Partner employees in a variety of community activities, both during working hours and in their spare time. In 2007 1,610 company employees volunteered for a total of 15,528 hours. In addition, the community relations committee invites Partner employees to be creative and suggest new projects in this field.

**“To Give with Love”:** For four consecutive years, we have taken part in the project “To Give with Love,” whose objective is collecting food for needy families in Israel; this has been in conjunction with the non-profit organization LATET. We contributed resources and technological know-how for setting up the call center to handle the thousands of phone calls received from donors during the TV fundraiser. Over one thousand company employees volunteer every year to answer donor phone calls. In addition, Partner makes direct cash donations and recruits its customers and suppliers to the project. For more information on LATET, please visit [LATET website](#)

**TZEVA – Youth Builds the Future:** Over the past four years we have adopted the TZEVA center at the Yesodot School in Petah Tikva. The center provides educational, social and emotional support to children from disadvantaged neighborhoods. Partner employees volunteer at the center and give the children the necessary tools for coping with life’s challenges.

For more information on TZEVA, please visit [TZEVA website](#)



Examples of additional activities in which Partner employees participate:

- The LEKET project run by “Table to Table”: Agricultural produce is collected by company volunteers and made available to the needy.
- Hosting parties celebrating Jewish and Israeli holidays in community centers, shelters and children’s hospitals and wards.
- Adopting a girls’ shelter in Rosh Ha’ayin.
- Painting the homes of the elderly in Rosh Ha’ayin before Passover.
- Renovation of pre-schools and kindergartens.
- The RAFSODIA project with ON TO LIFE, a non-profit organization helping cancer survivors in their twenties and thirties, with them together with Partner employees constructing a gigantic raft to cross the Sea of Galilee.
- Collecting food and clothing for the needy.
- Donating blood: Once every quarter the company holds a blood drive in conjunction with Magen David Adom (the Israeli version of the Red Cross). During the blood drive, about 250 employees donate blood.
- And more...



The RAFSODIA project with ON TO LIFE





Employees paint homes of elderly people in Rosh Ha'ayin before Passover



Setting up a handi-capped accessible picnic area at the Yarkon River Source Park



Fixing up a pre-school in Neveh Ofer



Preparing for a Purim party at the Dana Children's Hospital



*give=get<sup>2</sup>*

We encourage independent community volunteering by employees and their family members in addition to the activities organized by Partner. As part of the employee volunteering program, we give a monetary donation to the non-profit organizations where our employees and their families volunteer on a consistent and long-term basis.

### Creating employment opportunities

Partner works on the basis of togetherness value, and believes that as an integral part of the community it bears the responsibility to create employment opportunities in a manner that is fair, equal and diverse. Therefore, we are in contact with a number of non-profit organizations and associations, such as "The House on Wheels" which helps people with physical disabilities, "SHEMA" (Listen) which helps the deaf and hard of hearing and "ON TO LIFE" which helps people in their twenties and thirties who have recovered from cancer, to promote hiring people with special needs in Partner.

In 2007 a number of individuals from these non-profit organizations were hired for both temporary and permanent positions.





## Donations and adopting non-profit organizations

**“Adopt a Soldier” in conjunction with Friends of the IDF:** Since 2005 we have adopted the Izuz Battalion of the Armored Corps, the first battalion to have been adopted as part of the Adopt a Soldier Project. In January 2008, we also adopted the Shahar Search and Rescue Brigade of the Home Front Command. As part of this endeavor we help these battalions with monetary donations for funding recreational activities for soldiers, such as trips, sports days, etc. In addition, the soldiers participate in cultural activities provided for our employees, hosted by Partner during personal training and command workshop days, share in joint sports activities with Partner employees, and more.

**The “Lights of Hope” run by the ELEM organization:** For 25 years, the ELEM non-profit organization has been helping tens of thousands of youth at risk, with skilled and experienced professionals, 1,500 volunteers, and innovative projects throughout Israel. For the last five years, we have been partners in ELEM’s “Lights of Hope” project by donating money, providing an infrastructure for the project, and raising public awareness through the website and the cellular portal.

In 2005, the project won two EFFIE awards: the GRAND EFFIE for best marketing and advertising, and a GOLD EFFIE for effective marketing and advertising in the category of non-profit organizations for social responsibility in the public sector. In 2005 the project won the international public relations competition, IPRA, and in 2006 reached the international finals of the advertising competition at the Cannes Festival, and was voted one of the five best public sector campaigns in the world. Every year Partner employees take part in the project through their donations to the Lights of Hope flag.



**The “ATIDIM” project:** In 2005-2007 we awarded three scholarships to participants in The “ATIDIM” program whose objective is helping residents of the Israeli geographical periphery gain academic education and become a part of the business and industrial community in Israel.

**“Table to Table:”** Every day the leftover food from the company headquarters’ dining hall in Rosh Ha’ayin is donated to the needy. This contribution is made possible through Partner’s joint efforts with Shultz Catering, which operates the company’s food services. In addition, every year many employees participate in the LEKET project run by Table to Table organization in which volunteers harvest agricultural produce left in orchards, fields and citrus groves, which would rot in the fields or on trees if it were not collected. The produce is donated to non-profit organizations and soup kitchens supplying hot meals and food to the needy.

**The SMS campaign:** We allow fundraising use of our SMS text messaging infrastructure for non-profit organizations dealing with saving lives. In 2007, there were 26 campaigns for NPOs such as ALS, the Israel Cancer Association, ZAKA, Ezer Mitziyon, Friends, and more. In total, orange customers sent 124,580 SMS donation messages to various NPOs in 2007.

**On behalf of the residents of Sderot and the area adjacent to the Gaza Strip:** In the summer of 2007, we invited 600 youth from Sderot and the population centers in the area adjacent to the Gaza Strip to enjoy the international hit “Mamma Mia” which provided some relief from the tension gripping their communities.





### Community relations budget

The community relations budget is determined at the beginning of every budgetary year by Partner's management and is approved by the Board of Directors.

The 2007 budget was 9% lower than in 2006, a consequence of the company's extraordinary efforts on behalf of the residents of Northern Israel during the Second Lebanon War of the summer of 2006. Partner and its employees volunteered for activities on behalf of the residents of the North and the soldiers. Our representatives toured the communities being shelled and, together with local authorities representatives, distributed tens of thousands of hot meals, air conditioners, fans, games, arts and crafts supplies, and candies to the many people living in bomb shelters. We invited dozens of families to spend weekends at hotels and thousands of children to fun days at amusement parks and movie theaters in the center of Israel. We awarded benefits to every soldier in uniform called up to serve in the war helping them maintain contact with home and family.

The budget planned for 2008 is 33% higher than that of 2007. The increased budget reflects our commitment to continue to effectively contribute to the community in a significant way and for volunteering within the community.

The distribution and use of the budget are discussed quarterly by Partner's community relations committee, headed by the CEO, and comprised of VP Human Resources, VP Customer Division, the company spokesperson, marketing and finance division representatives, the legal counsel, and manager of the community relations and corporate responsibility.

You can contact Partner about community relations at [community@orange.co.il](mailto:community@orange.co.il)





better future

2007 Partner Communications Corporate Responsibility Report

the future





## How do we achieve a better future

### We believe that a better future is a self-fulfilled promise

a **promise** all of us make to ourselves,  
to the **community** we are part of, and the **environment**  
in which we live

a promise each of us has to work at to fulfill and thereby  
contribute to shaping a better future  
for us all

### **we are committed to continue to work towards a better future always**

Writing the Corporate Responsibility Report was preceded by a significant, cross-company process. We mapped the gaps between how we currently operate and the standards of GRI and the Maala code for managing a socially responsible business enterprise, focusing on how we manage our corporate responsibility in our activities.

We did research, asked questions and, moreover, learned a great deal. Now that the report is being published for all stakeholders, we are also in the midst of writing a working program for the next two years during which we will continue to ensure a better future for us and coming generations.

The promise at the core of our corporate responsibility will continue to guide us in the years to come.

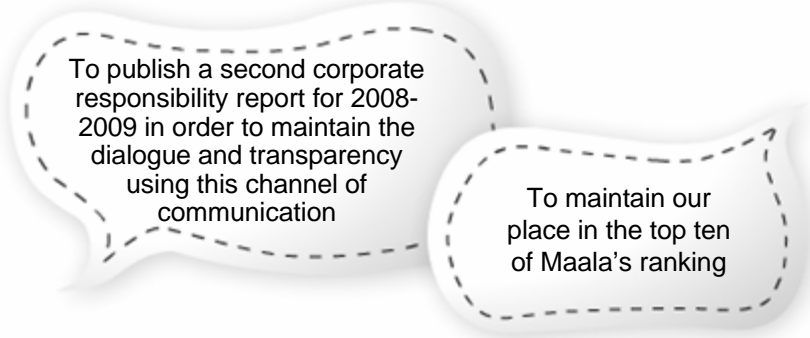




**Comprehensive corporate responsibility:**

We will continue to conduct ourselves with honesty and integrity, fairness and transparency, with all of our stakeholders.

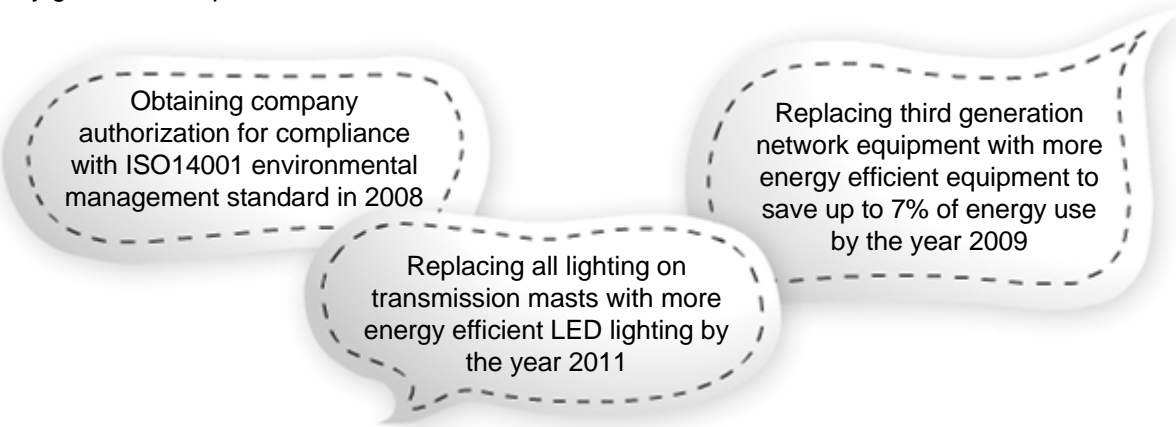
Our primary goals in this sphere are:



**The environment:**

We will develop and promote our employees' awareness of, and involvement in, the issue of environmental protection, and will continue to present ourselves with goals for improvements and savings for ourselves and for the sake of coming generations.

Our primary goals in this sphere are:





**Products, marketing and customers:**

We will continue to provide our customers with safe and advanced products reflecting technological innovation and providing personal communication solutions, while maintaining an excellent and uncompromising level of service satisfying the needs of the entire population with its specific needs.

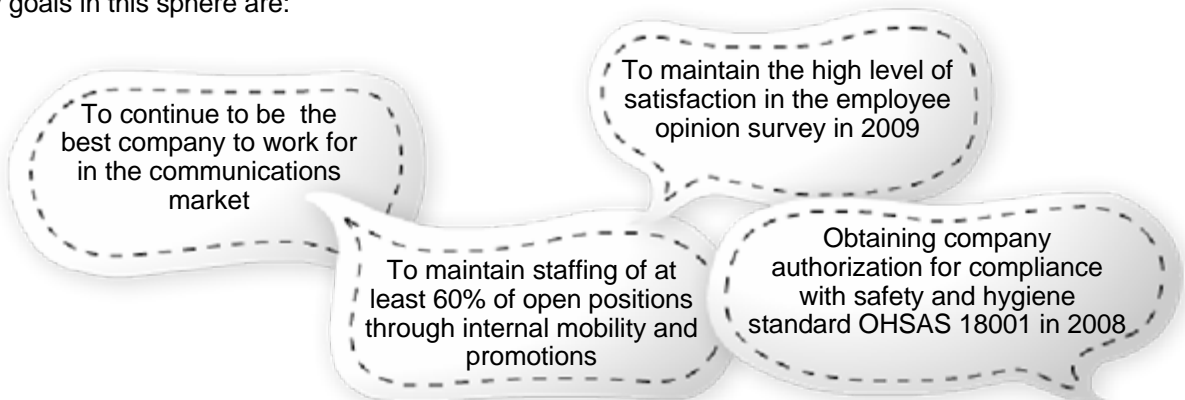
Our primary goals in this sphere are:



**Working environment and employee rights:**

We will continue to work towards the personal and professional development of our employees. We will continue our dialogue and keep communication channels open to learn about our employees' needs and desires, and bring about continual improvement of employee satisfaction.

Our primary goals in this sphere are:





**Partner in the community:**

We will continue to be attentive to the needs of the community, and continue to promote technological and communications education in the geographical and social periphery of the State of Israel.

Our primary goals in this sphere are:

Increasing the number of volunteering hours of our employees by 5% in 2008

Launching a new community project in 2008 with a multi-year plan

We strive to develop the dialogue with those who have an interest in us – shareholders, investors, costumers, employees, suppliers, the value chain, and the public in order to continue providing a response to needs and expectations from us. This report is one such channel of communication. We would be happy to receive feedback, responses and comments at

Partner Communication  
The Department for Community Relations & Corporate Responsibility  
PO Box 435  
Rosh Ha'ayin 48103  
Israel  
Fax +972-54-781-6574  
Email: [community@orange.co.il](mailto:community@orange.co.il)

**Thank you to...**

**Thank you** to all of our employees in the different divisions who were a tremendous help in this fascinating and instructive process of writing Partner's first corporate responsibility report.

**Thank you** for responding to the challenge, for the willingness, ideas, comments, the collecting of data, the analysis and the writing.

**Thank you** to the department for corporate responsibility of BDO- Ziv Haft for the consultations throughout the preparation of this report.

**Thank you** to the people at marketing communications for the vision and creativity in the presentation of the report to all stakeholders, and thanks to YKM Co. Ltd. for the design of the website and the report.

**Thank you for your time.**  
See you with the next report.





## GRI Performance Indicators\*

	Performance Indicator	Description	Reference
Economic	<b>EC1</b>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	11
	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	35
	<b>EC8</b>	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	43
Environmental	<b>EN2</b>	Percentage of materials used that are recycled input materials.	20
	<b>EN3</b>	Direct energy consumption by primary energy source.	18
	<b>EN4</b>	Indirect energy consumption by primary source.	17
	EN5	Energy saved due to conservation and efficiency improvements.	17
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	17
	<b>EN8</b>	Total water withdrawal by source.	19
	<b>EN16</b>	Total direct and indirect greenhouse gas emissions by weight.	19
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	17
<b>EN26</b>	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	19	

\* Performance Indicator in bold letters is a core indicator.



	Performance Indicator	Description	Reference
<b>Labor Practices and Decent Work</b>	<b>LA1</b>	Total workforce by employment type, employment contract, and region.	36
	<b>LA5</b>	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	36
	<b>LA10</b>	Average hours of training per year per employee by employee category.	34
	<b>LA12</b>	Percentage of employees receiving regular performance and career development reviews.	32
	<b>LA13</b>	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	36
<b>Human Rights</b>	<b>HR4</b>	Total number of incidents of discrimination and actions taken.	38
<b>Society</b>	<b>SO1</b>	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	42
<b>Product Responsibility</b>	<b>PR3</b>	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	28
	<b>PR5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	25
	<b>PR6</b>	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	26



## Sector Supplement

	Performance Indicator	Description	Reference
<b>Internal Operations</b>	<b>IO4</b>	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets.	21
	<b>IO5</b>	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	21
	<b>IO6</b>	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.	21
	<b>IO7</b>	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluate consultations and quantify where possible.	16
<b>Providing Access</b>	<b>PA2</b>	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	27
	<b>PA3</b>	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	27
	<b>PA6</b>	Programmers to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	27
	<b>PA8</b>	Policies and practices to publicly communicate on EMF related issues. Include information provides at points of sales material.	21
	<b>PA10</b>	Initiatives to ensure clarity of charges and tariffs.	28
	<b>PA11</b>	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	28



	Performance Indicator	Description	Reference
<b>Technology Applications</b>	<b>TA1</b>	Provide examples of the resource efficiency of telecommunication products and services delivered.	19
	<b>TA2</b>	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects (e.g. a telephone book by a database on the web or travel by videoconferencing).	19