

# ECI SUSTAINABILITY REPORT 2017 SUPPLEMENT:

UN GLOBAL COMPACT COMMITMENT  
GRI STANDARDS CONTENT INDEX



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# UN GLOBAL COMPACT

ECI confirmed participation in the United Nations Global Compact (UNGC) in 2002, the first company in Israel to do so. This report includes our annual Communication on Progress (COP).

The table on this page shows the correlation of our GRI disclosures with the UNGC principles.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

	Global Compact Principles	GRI Standards	Our Commitment
1	Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>	Respecting human rights at ECI is a core value. We conduct our business responsibly in line with the highest ethical standards and respect for all individuals. Read our Commitment to Human Rights: <a href="http://www.ecitele.com/abouteci/CorpResp/Pages/Corporate-Governance.aspx">www.ecitele.com/abouteci/CorpResp/Pages/Corporate-Governance.aspx</a> We ensure our suppliers are aware of our standards relating to human rights and encourage them to adopt similar standards.
2	Businesses should make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> <li>Human Rights</li> <li>Local Communities</li> </ul>	
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> <li>Freedom of Association and Collective Bargaining t</li> <li>Labor/ Management Relations</li> </ul>	We respect the rights of employees to freedom of association and collective bargaining. We aim to maintain collaborative, open and positive relationship with employees and address issues relating to their rights in a positive manner.
4	Businesses should support the elimination of all forms of forced and compulsory labor.	<ul style="list-style-type: none"> <li>Forced and Compulsory Labor</li> </ul>	We do not engage in any practice which could be construed as forced labor. All ECI employees are employed within the provisions of the law and employment contracts signed by employees of their own free will.
5	Businesses should support the effective abolition of child labor.	<ul style="list-style-type: none"> <li>Child Labor</li> </ul>	We respect and support the rights of all children, and we are committed to preventing harm and actively safeguarding their interests. We do not employ children in any part of our business.
6	Businesses should support the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>Labor Practices and Decent Work</li> </ul>	We maintain a policy of equal opportunity and enjoy a high level of diversity among our workforce around the world. Recruitment and human resources policies are designed to nurture inclusive practices for new and current employees in all matters relating to their employment with ECI.
7	Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> <li>Environment Aspects</li> </ul>	
8	Businesses should undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> <li>Environment Aspects</li> </ul>	ECI provides customers worldwide with network telecom infrastructure that enables them to address current and future business challenges, and in doing so, consider environmental impacts through the use of environmentally-friendly technology and technology-driven infrastructure.
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> <li>Environment Aspects</li> </ul>	
10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> <li>Anti-Corruption</li> <li>Public Policy</li> </ul>	We are committed to behaving with integrity and act against all forms of corruption.

# GRI CONTENT INDEX: GENERAL DISCLOSURES

GRI Standard	Disclosure	Page reference or response	Omission	
GRI 102: General Disclosures 2016	102-1	Name of the organization	5	
	102-2	Activities, products, and services	5	
	102-3	Location of headquarters	5	
	102-4	Location of operations	5	
	102-5	Ownership and legal form	5	
	102-6	Markets served	5	
	102-7	Scale of the organization	5, 8	As a private company, we do not disclose details of revenues or market capitalization.
	102-8	Information on employees	2017 Supplement, p.5	
	102-9	Supply chain	24	
	102-10	Significant changes	No significant changes	
	102-11	Precautionary Principle	17	
	102-12	External initiatives	6, 15	
	102-13	Membership of associations	2017 Supplement, p.2	
	102-14	Statement from senior manager	4	
	102-16	Values, principles, standards	5	
	102-18	Governance structure	5	
	102-40	List of stakeholder groups	10	
	102-41	Collective bargaining agreements	22	

GRI Standard	Disclosure	Page reference or response	Omission
GRI 102: General Disclosures 2016	102-42	Identifying and selecting stakeholders	10
	102-43	Stakeholder engagement	10
	102-44	Key topics and concerns raised	10
	102-45	Entities included	3
	102-46	Report content and topic Boundaries	3
	102-47	List of material topics	9
	102-48	Restatements of information	None
	102-49	Changes in reporting	No changes to material topics or reporting boundaries
	102-50	Reporting period	3
	102-51	Date of most recent report	3
	102-52	Reporting cycle	3
	102-53	Contact point	3
	102-54	Reporting in accordance with the GRI Standards	3
	102-55	GRI content index	2017 Supplement, p.3
	102-56	External assurance	3

# GRI CONTENT INDEX: MATERIAL DISCLOSURES

Material priority	GRI Standard	Management approach page	Specific GRI Disclosures	Page	Omissions
Meeting and anticipating customer needs	GRI 203: Indirect economic impacts	101-1-3: 11, 12, 13	203-2: Significant indirect economic impacts	11-14	
Partnering to deliver the best technology					
Providing outstanding customer service	GRI 417: Marketing and labeling 2016	101-1-3: We are always clear about our offerings and performance claims to customers.	417-3: Non-compliance concerning marketing communications	None	
Engaging and developing employees	GRI 401: Employment	101-1-3: 20	401-1: New employee hires and turnover	2017 Supplement p. 6	
	GRI 404: Training and Education	101-1-3: 21	404-1: Average hours of training per employee	21	
			404-3: Employees receiving performance reviews	21	
Employee health, safety and wellbeing	GRI 403: Occupational Health and Safety	101-1-3: 22	403-2: Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and fatalities	2017 Supplement p. 5 Injuries by gender not available. Absenteeism is recorded for Israel only.	
Engaging employees to support our communities	GRI 413: Local Communities	101-1-3: 23	413-1: Operations with local community engagement, impact assessments, and development programs	23	
Improving the resource efficiency of our products	GRI 302: Energy	101-1-3: 17	302-5: Reductions in energy requirements of products and services	19	

Material priority	GRI Standard	Management approach page	Specific GRI Disclosures	Page
Reducing our energy consumption	GRI 302: Energy	101-1-3: 17	302-1: Energy consumption within the organization	2017 Supplement p. 7
			302-3: Energy intensity	17
			302-4: Reduction of energy consumption	17
	GRI 305: Emissions	(not material)	305-1: Direct (Scope 1) GHG emissions	2017 Supplement p. 7
			305-2: Energy indirect (Scope 2) GHG emissions	2017 Supplement p. 7
			305-4: GHG emissions intensity	18
GRI 303: Water	(not material)	303-1: Water withdrawal by source	2017 Supplement p. 8	
Reducing waste and increasing recycling	GRI 306: Effluents and Waste	101-1-3: 17	306-2: Waste by type and disposal method	2017 Supplement p. 8
Maintaining integrity and ethical conduct	GRI 205: Anti-Corruption	101-1-3: 24	205-3: Confirmed incidents of corruption and actions taken	24
Upholding human rights	GRI 407: Freedom of Association	101-1-3: 22, 24	407-1: Operations and suppliers in which the right to freedom of association may be at risk	22, 24
Driving ethical standards throughout our supply chain	GRI 414: Supplier Social Assessment	101-1-3: 24	414-1: New suppliers that were screened using social criteria	24

## 102-8 INFORMATION ON EMPLOYEES

EMPLOYEES BY REGION AND GENDER	2015			2016			2017		
	Male	Female	All	Male	Female	All	Male	Female	All
China	152	62	214	158	62	<b>220</b>	159	62	221
India	279	48	327	323	64	<b>387</b>	362	68	430
Israel	670	216	886	657	211	<b>868</b>	618	213	831
Rest of world	190	53	243	183	48	<b>231</b>	140	39	179
<b>All employees</b>	<b>1,291</b>	<b>379</b>	<b>1,670</b>	<b>1,321</b>	<b>385</b>	<b>1,706</b>	<b>1,279</b>	<b>382</b>	<b>1,661</b>

**Notes:**

- 99% of women and 100% of men were employed via permanent contracts in 2017
- 86% of women and 96% of men were employed on full time contracts in 2017, the remainder being on part time contracts.
- A small number of contract workers are employed in addition to direct employees noted above – 45 in 2017.

## 403-2: TYPES OF INJURY AND RATES OF INJURY

INJURIES AND LOST DAYS	2014	2015	2016	2017
Number of injuries	2	5	5	5
Injury frequency rate	0.062	0.153	0.155	0.137
Lost days due to injury	23	13	73	47
Lost day rate	0.710	0.398	2.268	1.286

**Notes:**

Rates are calculated on the basis of 100,000 hours worked. Data relates to ECI direct employees – data is not available for contractors. Also, data is not available on a gender basis.

## 401-1: EMPLOYEE NEW HIRES AND TURNOVER IN 2017

NEW HIRES	Men <30	Men 30-50	Men >50	Women <30	Women 30-50	Women >50	All men	All women	Total
China	16	3	0	4	2	0	19	6	25
India	45	19	0	16	0	0	64	16	80
Israel	18	47	5	13	13	1	70	27	97
Rest of world	3	9	6	1	6	2	18	9	27
<b>Total</b>	<b>82</b>	<b>78</b>	<b>11</b>	<b>34</b>	<b>21</b>	<b>3</b>	<b>171</b>	<b>58</b>	<b>229</b>
Leavers									
China	2	11	2	0	2	1	15	3	18
India	9	18	9	3	7	1	36	11	47
Israel	23	58	18	14	12	2	99	28	127
Rest of world	4	10	1	0	2	1	15	3	18
<b>Total</b>	<b>38</b>	<b>97</b>	<b>30</b>	<b>17</b>	<b>23</b>	<b>5</b>	<b>165</b>	<b>45</b>	<b>210</b>

NEW HIRES - RATES (% of total employees)	Men <30	Men 30-50	Men >50	Women <30	Women 30-50	Women >50	All men	All women	Total
China	1.0%	0.2%	0.0%	0.2%	0.1%	0.0%	1.1%	0.4%	1.5%
India	2.7%	1.1%	0.0%	1.0%	0.0%	0.0%	3.9%	1.0%	4.8%
Israel	1.1%	2.8%	0.3%	0.8%	0.8%	0.1%	4.2%	1.6%	5.8%
Rest of world	0.2%	0.5%	0.4%	0.1%	0.4%	0.1%	1.1%	0.5%	1.6%
<b>Total</b>	<b>4.9%</b>	<b>4.7%</b>	<b>0.7%</b>	<b>2.0%</b>	<b>1.3%</b>	<b>0.2%</b>	<b>10.3%</b>	<b>3.5%</b>	<b>13.8%</b>
Leavers - rates (% of total employees)									
China	0.1%	0.7%	0.1%	0.0%	0.1%	0.1%	0.9%	0.2%	1.1%
India	0.5%	1.1%	0.5%	0.2%	0.4%	0.1%	2.2%	0.7%	2.8%
Israel	1.4%	3.5%	1.1%	0.8%	0.7%	0.1%	6.0%	1.7%	7.6%
Rest of world	0.2%	0.6%	0.1%	0.0%	0.1%	0.1%	0.9%	0.2%	1.1%
<b>Total</b>	<b>2.3%</b>	<b>5.8%</b>	<b>1.8%</b>	<b>1.0%</b>	<b>1.4%</b>	<b>0.3%</b>	<b>9.9%</b>	<b>2.7%</b>	<b>12.6%</b>

### 302-1: ENERGY CONSUMPTION WITHIN THE ORGANIZATION      302-3: ENERGY INTENSITY

ENERGY CONSUMPTION IN GIGAJOULES	2011	2012	2013	2014	2015	2016	2017
Gasoline (Scope 1)	72,019	46,095	35,027	26,148	22,545	22,995	20,310
Purchased electricity (Scope 2)	83,478	78,887	50,796	57,107	53,439	60,872	62,942
<b>Total energy consumption</b>	<b>155,497</b>	<b>124,982</b>	<b>85,823</b>	<b>83,255</b>	<b>75,984</b>	<b>83,867</b>	<b>83,253</b>
<b>Energy consumption per employee</b>							
Gasoline (Scope 1) GJ/employee	46.43	32.35	31.93	27.67	15.14	15.72	13.18
Purchased electricity (Scope 2) GJ/employee	53.82	55.36	46.30	60.43	35.89	41.61	40.85
<b>Total energy consumption per employee</b>	<b>100.26</b>	<b>87.71</b>	<b>78.23</b>	<b>88.10</b>	<b>51.03</b>	<b>57.33</b>	<b>54.02</b>

### 305-1: DIRECT (SCOPE 1) GHG EMISSIONS

### 305-2: ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

### 305-3: OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

### 305-4: GHG EMISSIONS INTENSITY

GHG EMISSIONS IN TONS CO2E	2011	2012	2013	2014	2015	2016	2017
Scope 1 (Gasoline)	4,829	3,091	2,349	1,735	1,498	1,530	1,352
Scope 2 (Electricity)	16,997	16,062	9,919	10,914	10,414	11,576	11,876
<b>Total emissions Scope 1+2</b>	<b>21,826</b>	<b>19,153</b>	<b>12,268</b>	<b>12,649</b>	<b>11,913</b>	<b>13,106</b>	<b>13,227</b>
Scope 1 (Gasoline) tons CO2e per employee	3.11	2.17	2.14	1.84	1.01	1.05	0.88
Scope 2 (Electricity) tons CO2e per employee	10.96	11.27	9.04	11.55	6.99	7.91	7.71
<b>Total emissions Scope 1+2 per employee</b>	<b>14.07</b>	<b>13.44</b>	<b>11.18</b>	<b>13.39</b>	<b>8.00</b>	<b>8.96</b>	<b>8.58</b>
<b>Scope 3 GHG emissions (Israel only)</b>							
Scope 3 (Business flights)	1,951	1,081	859	944	1,158	1,072	1,021

**Notes:** CO2e emissions for electricity use annual Israel Electric Company conversion factors in Israel and IEA factors in China and India. CO2e emissions for gasoline use DEFRA conversion factors 2015. All data prior to 2015 covers Israel only. Data for 2015 – 2017 includes India and China. Business flights assume long-haul flights.

**303-1: WATER WITHDRAWAL BY SOURCE**

WATER WITHDRAWAL IN M3	2011	2012	2013	2014	2015	2016	2017
Total water withdrawal	17,116	16,536	16,194	17,285	18,100	19,033	20,856

**Note:** All water is withdrawn from municipal sources.

**306-2: WASTE BY TYPE AND DISPOSAL METHOD**

WASTE IN TONS	2011	2012	2013	2014	2015	2016	2017
Recycled	76	70	16	25	28	24	24
Landfill	166	52	120	109	100	112	166
<b>Total waste</b>	<b>242</b>	<b>122</b>	<b>135</b>	<b>134</b>	<b>127</b>	<b>135</b>	<b>189</b>





## ABOUT ECI

ECI is a global provider of ELASTIC network solutions to CSPs, utilities as well as data center operators. Along with its long-standing, industry-proven packet-optical transport, ECI offers a variety of SDN/NFV applications, end-to-end network management, a comprehensive cyber security solution, and a range of professional services. ECI's ELASTIC solutions ensure open, future-proof, and secure communications. With ECI, customers have the luxury of choosing a network that can be tailor-made to their needs today - while being flexible enough to evolve with the changing needs of tomorrow. For more information, visit us at [www.ecitele.com](http://www.ecitele.com)