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#### Ness Business Profile

Ness Technologies Inc. is a leading global provider of Information Technology and business services and solutions with specialized expertise in software product engineering, system integration, application development and software distribution.

Ness delivers its portfolio of services and solutions using a global delivery model combining offshore, near-shore and local teams.

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 Ness provides services to over 500 clients commercial, the industrial government sectors, using a highly skilled workforce of experienced IT employees and consulting professionals across several key vertical markets. The primary industries which Ness serves include hightech companies and independent software vendors (ISVs); utilities and government; financial services; defense and homeland security; and life sciences and healthcare.

Software
Product
Engineering

Enterprise
Applications &
Business
Services

Software
Distribution

Ness maintains a global presence with offices and delivery facilities in Canada, Czech Republic, Germany, Hungary, India, Israel, Italy, Portugal, Romania, Slovakia, Spain, Switzerland, UK and USA. Ness employs over 7,000 experienced

information technology and consulting professionals. Ness combines knowledge of its key markets and client businesses with technical expertise to deliver tailored solutions to clients, under rigorous regulatory requirements.

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Ness maintains strategic partnerships with leading global software and infrastructure vendors, capitalizing on a wide array of technologies and innovation.

Ness Technologies, Inc. was incorporated in Delaware in March 1999 in connection with the acquisition between 1997 and 1999 of six Israeli IT services companies. These companies and subsequent acquisitions have been successfully into the Ness integrated corporate structure. Ness's principal executive office in the United States is located in Hackensack, New Jersey. Ness's principal executive office in Israel is located in Tel Aviv, Israel. The Ness global executive staff team is based in in Israel and in India, Europe and the United States. .

Ness shares are traded on the Global Nasdaq selected Shares Market (Stock symbol "NSTC"). Ness complies with all SEC regulations including SOX. Ness annual revenues in 2010 were \$571.8 million.

See more at www.ness.com



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# Ness Leadership (2009-2010)



Sachi Gerlitz President, Chief Executive Officer and Director

Effi Kotek President. **Ness Israel** 

Holly Ripley-Boyd **Chief Strategy Officer** 

Ofer Segev **Chief Financial Officer and Executive Vice President** 

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Atzmon Lifshitz **Executive Vice President, Human Resources** 

Jo Lagioia **President, Ness North** America, Enterprise Services and Product Software **Engineering** 









Michael Zinderman President, Technologies & **Systems Group** 

Milan Sameš **President, Ness CEE**  П

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Ilan Rotem **Chief Legal Officer and** Secretary

Shalom Daskal President, NessPRO

Drew Wright Senior Vice President, Financial Operations and **Investor Relations** 



#### Ness Business Vision and Values

#### Vision

Ness aspires to become a leading global IT solutions provider with emphasis on quality, professionalism, reliability and technological innovation.



#### Values

Ness values are clearly articulated and published to all employees in Ness Employee Handbooks and on the Company's intranet site. They are presented as a set of values that guide employees in how to operate in everyday life at work. Ness values are:

- Partnership with our employees, customers and partners. A relationship based on mutual respect and consideration. This type of partnership extends beyond specific needs or goals.
- Teamwork cooperation towards a mutual goal. The whole is greater than the sum of its parts.
- Excellence ambition to always perform above the standard, constantly raising the benchmark.
- Innovation a bold, creative and original adaptation of the obvious, being open to change.

The guiding principle behind these four values is the Must Win-Win Spirit. In every situation, Ness constantly examines how to act to reach our goal, while considering the needs and aspirations of others, in order to achieve Win-Win for all stakeholders.

Our Win-Win spirit is based on adherence to the values of honesty, integrity and responsible business practices around the world for the benefit of our business, our society and our environment. Ness believes that Win-Win can be achieved only through consideration of all these aspects.

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#### Commitment from the CEO



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2010 has been an exciting year of developments for Ness Technologies with some significant breakthroughs in new markets, new solutions and new ways of supporting our clients to manage their businesses efficiently and effectively. We are pleased to serve many clients whose operations are essential for a sustainable world, including major projects in the field of water

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infrastructure, health care, environmental protection, as well as many projects in the areas of banking and defence infrastructure, to name but a few. Overall, despite the continuing aftershocks of the Global Financial Crisis, Ness has performed well in 2010, reaching over \$570 million in turnover and employing over 7,700 valued people. Our global reach continuously reminds us of our global responsibilities, and in this first year of our participation in the UN Global Compact, we have made efforts to consolidate and expand our approach to corporate responsibility management, not least with the appointment of a CR Director and CR Leaders in all country units. In this, our second Communication on Progress, we describe what actions we have taken and what we plan to do in the coming year.

We remain committed to upholding and promoting the principles of the United Nations Global Compact and the wider Millennium Goals, and to aligning our operations accordingly. We see the participation in the UN Global Compact as a platform which assists us in defining how we maintain and develop our responsible business practices at Ness in all the countries in which we operate and also a way to align ourselves with the expectations of society and our stakeholders – customers, suppliers, business partners and employees.

As Ness Technologies President and CEO, I confirm our unreserved support for the Global Compact Principles and our intention to uphold these principles in all that we do, promote the principles to raise awareness and further commitment by those with whom we interact and submit an annual Communication on Progress in accordance with the Global Compact guidelines.

Sincerely
Sachi Gerlitz
President and CEO
February 2011



# Upholding Human Rights and Empowering Communities

# Principle 1

Business should support and respect the protection of internationally proclaimed human rights.

# Our approach to Human Rights

Ness Technologies is firmly committed to upholding human rights in all aspects of its business. We believe in the value of all individuals and their right to respect and all other basic human rights contained in the Universal Declaration of Human

Rights. We conduct our business all over the globe in a manner which promotes trust, respect, dignity and valuing each individual, while making maximum efforts to ensure human rights are upheld in every activity of our business.

Ness publishes a **Policy on Human Rights** on its global website, freely accessible for all.

This policy can be downloaded from the following link:

 $\underline{http://www.ness.com/Company/Documents/HUMANRIGHTSPOLICYSTATEMENT.pdf}$ 

The ways in which Ness upholds human rights are detailed on the following pages.



#### Ness India

Ness participated in the Signature Campaign by CRY, in its Charter to the Government demanding amendments to close loopholes in the Right of Children to Free and Compulsory Education Act, 2009. Ness received over 530 employee signatures. This Charter was submitted to key authorities in India and also to the President of India, the Prime

Minister and the HRD Ministry of India. This campaign supported the rights of India's 440 million children, 52% of whom do not attend schools, to an improved educational framework by the Indian State, including improved funding and teacher support.

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# Doing business in an ethical way

Ness Technologies places utmost importance on operating in compliance with all the laws and regulations of the countries in which the Company does business, and maintaining an ethical approach to all that the Company does.

In the larger Ness Companies, a Compliance Officer oversees Ness's uncompromising adherence to the law. In addition, Ness operates in accordance with Ness's corporate global Code of Business Conduct and Ethics which can be downloaded here:

http://media.corporate-ir.net/media\_files/irol/17/179905/Ness20081209.pdf

The Code of Ethics was updated during 2010 to include specific reference to Ness's Corporate Responsibility. The additional paragraph 18, approved by the Company's Board of directors, is as follows:

#### **Corporate Social and Environmental Responsibility**

In addition to our commitment to absolute adherence to laws and regulations, the Company has adopted an approach of corporate social and environmental responsibility in everything that we do — and in regard to all our stakeholders. This means that directors, officers and employees must look beyond the letter of the law to how we impact people, communities, economies and the environment; they must maintain dialog with key stakeholders to understand their expectations, needs and concerns; and they must seek to improve our overall impact wherever possible in all our business endeavors. The Company participates in the United Nations Global Compact as a demonstration of its commitment to doing business responsibly. This participation requires the understanding, motivation and personal engagement of all Ness personnel around the globe. The Company expects all directors, officers and employees to be familiar with the concept of corporate responsibility and to take personal responsibility for all actions which can support the Company in being a good corporate citizen.

All Ness employees are asked to sign their confirmation to upholding this Code as part of their Employment Contract when they join the Company.

Many Ness employees worldwide are trained in the content of the Code of Business Conduct and Ethics and its relevance for their role in the Company. In 2011, it is our objective to ensure 100% of employees will be trained using a new e-learning module.

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Ness invites complaints regarding Ness's business conduct and ethical behavior of its employees to Managers in the Company or via the Executive Vice President of Human Resources or the Chief Legal Officer and Secretary.

Anonymous complaints can be submitted to Ness's external legal counsel Mr. Ephraim Abramson, Adv. at Ephraim Abramson & Co. Law Offices, Beit Hatayelet, 2 Beitar Street, Jerusalem 93386, Israel, via fax to +972-2-565-4001 or via email to <a href="mailto:efia@abramson-law.co.il">efia@abramson-law.co.il</a> We are pleased to note that there have been no complaints from any source directed against Ness Technologies or the way it conducts its business since the inception of the Company, in any country.

Responsible Labor Practices at Ness

Seeking employee feedback and dialog

# The 2010 Global Ness Employee Survey

**Corporate Social Responsibility** 



In 2010, as part of the Ness Global Employee Survey, employees were asked questions about the Company's ethical behavior and knowledge of the Code of Ethics for the first time. This will serve as a basis for measuring of the effectiveness of Ness's ethics program assimilation in future years. 4,210 employees responded to the survey, which is 53% of the total workforce and a very representative sample of views of the Ness employee population.

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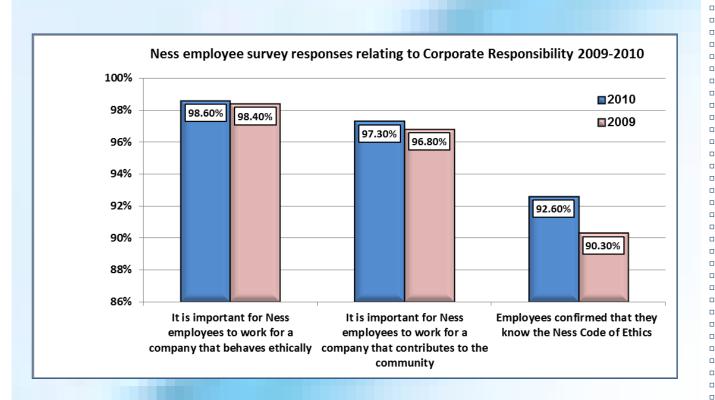
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In 2010, **98.6** % of employees confirmed that it is important to them to work for a Company that behaves ethically. Of the total responses received, 42.8% (an increase versus 41.5% in 2009) gave this the highest possible rating, indicating that this is highly important to employees.

In 2010, **97.3%** of employees confirmed that is it important to them to work for a company that contributes to the community. Of the total responses received, 31.7% (an increase versus 29,6% in 2009) gave this the highest possible rating.

In 2010, **92.6%** of employees confirmed that they know the Ness Code of Ethics (a slight improvement versus 90.3% 2009). However, only 19.4% of respondents gave this the highest possible rating, which leads Ness management to believe that further efforts to embed the Code more effectively with all employees would be merited. Therefore, during 2011, Ness is developing a new communication and training program for ethics so that a higher percentage of employees will be more effectively engaged in future.



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# Investing in the skills and competencies of our employees

Ness supports individuals around the world in gaining knowledge and skills and finding empowerment within the working environment. This is demonstrated in the importance that Ness places developing networks of local subsidiaries, employing locals for the most part, and providing them with the frameworks to gain professional skills, evaluate their performance and potential and advance their career. locations, Ness provides full up-skilling for new hires, many of whom have had little training or exposure to technological professions. Much of this is technical training, though significant investment is made in enhancing personal development skills, management and leadership. In many cases, working at Ness offers many new experiences and exposes individuals to new situations. In Ness India, for example, a comprehensive workshop is given for all employees who travel abroad

on business for the first time. A business trip to the USA or to Europe, for example, provides an exposure to different customs and cultures for which the Company fully prepares its employees.

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Ness Human Resources policies and practices include employee evaluation processes, training, development plans, career planning and opportunities for promotion and advancement. emphasis is placed on leadership and equipping managers to deal with increasing levels of complexity and responsibility. Ness prefers to promote from within where possible and maintains extensive management training programs to assist employees to advance within the management levels of the business. Additionally, opportunities are offered to many employees to work abroad to gain different experience and skills.

In Ness Israel, **60** different training events were held in 2010, with participation by **1,382** employees. Over half of these training events were related to general management and "soft" skills development with the rest being technical skill focussed.

Maintaining privacy with respect to employee personal information

Ness supports the right of all its employees to privacy and maintains strict control of all personal information held in employee Personnel files. No personal information is recorded in personnel files which employees are unaware of. There has been no known breach of policy relating to employee information.

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# Employee Health and Safety at Work

Ness is committed to upholding the rights of all employees and visitors to Ness operations to a healthy and safe working environment. All Ness operations around the world have policies, practices and processes in place to ensure compliance to all laws, regulations and accepted industry standards in the respective countries of operations. In many cases, local Ness country units adopt additional policies, practices and training programs, beyond compliance, and spare no cost or effort to ensure that Ness employees can be confident of their working environment as a safe and healthy place to work. In most cases, new employees receive an Employee Handbook in which safety regulations are detailed. In induction programs, employees receive more detailed training. In the larger Ness locations, additional employee training is conducted in matters of health and safety.

Safety programs typically cover all basic safe working practices, building specifications including air, lighting, hygiene and ergonomics, workplace violence and anti-harassment policies, fire procedures and emergency exits etc. In some cases, safe driving training is provided. Almost all Ness subsidiaries provide support for employee health programs and medical benefits as part of their employment terms. There were no serious accidents in which Ness employees were injured or harmed anywhere in the world in the Ness workplace in 2009 or 2010.

# NESS SLOVAKIA (KOŠICE)

In Ness Slovak Republic country unit, a health audit by an external auditor was conducted in line with legal requirements. Employees completed questionnaires covering health conditions in the workplace. The audit confirmed that Ness's health and safety practices are satisfactory. Follow – up actions included regular medical examinations of employees and improved internal administration.

# NESS SLOVAKIA (BRATISLAVA)

Ness Bratislava is certified to ISO18001 Health and Safety Management System. All company employees are trained in health and safety at hiring and every two years. Ness also provides free eye tests for employees. In addition, 5% of employees were provided first aid training in 2010 and are now qualified to assist in safety emergencies.



#### **NESS ISRAEL**

# **SafetyNess**

פרויקט הבטיחות בדרכים של עובדי נס

Road accidents run at a rate of over 60,000 per year and over 300 fatalities in Israel. For Ness, safe driving is a critical component of taking corporate responsibility seriously.

 In 2010, the Ness Vehicles Officer together with the CR Director and human Resources devised another campaign to raise the awareness of drivers and encourage them to adopt safe driving practices. The campaign



started with a check of air pressure of Ness car tires in the Ness car park. All cars whose air pressure was checked were marked with a blue balloon, to remind drivers of the importance of correct tire pressure as a prerequisite of safe driving. In addition, all Ness drivers and their families were invited to participate in a safe driving obstacle course training, to improve driving skills especially in difficult conditions. Finally, a competition was held for Safe Driving Tips and the most relevant tips were published as a useful tool for all employees. 300 Ness employees participated in these programs.

In 2010, the accident rate for Ness drivers fell by 27%. While this is encouraging, it indicates the need for continued education about safe driving on a continuous basis for all employees.





# **Empowering Communities**



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"We believe that the bond formed between the excellent people of Ness and our future generation creates a stronger society, a stronger company, and a better future for us all."

Inbal Cinman, Global Corporate Social Responsibility Director, Ness Technologies.

Worldwide, Ness sees the key theme of its community empowerment program in the development of children and youth through education and technology.

As with many of Ness's global activities, global commitment is backed up by local action. In all Ness locations around the world, Ness employees donate time, energy, money, services and equipment to support and empower the communities in which Ness works and thrives. We believe in maintaining close connections with the local community and therefore, each Ness country unit around the world elects to support the community issues that are most relevant to local communities. All individual Ness subsidiaries decide for themselves how this should be implemented at local level, and which non-profit causes they would like to support.

The following pages show the significant breadth and scope of local action in support of Ness global and local communities.



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# **Empowering Communities: NESS INDIA**

During 2010, Ness India was involved in many activities to empower communities. These included partnership with the Blue Cross to organize events on International Animal Rights Day, volunteering with the Sadhna Institute, a School for mentally and physically challenged and raising funds for raised funds for floods that affected areas in Karnataka and Andhra Pradesh in October 2009, as well as special activities to support communities at Christmas time. More details of Ness India's tireless efforts to support communities are detailed below:

#### Celebrating freedom



Ness supported the Atlanta Foundation 'Freedom Ride' covering 62 km, to commemorate 62 years of India's Independence and freedom for the Indian population. Ness employees, along with teams from other leading IT organizations actively participated in this ride. The funds generated through this event were donated to underprivileged schools. This is how the organizers thanked Ness on their internet page:

## Thank you to:

The 100+ volunteers from Ness/Invesco and a few other organizations, who tirelessly tended to riders' requirements and gave them that extra ounce of encouragement that was so crucial in getting so many cyclists to finish the ride! If the riders' comments are an indication, then these volunteers absolutely won the hearts of riders through their timely support and cheerful presence!

For more information, see: http://www.atlantafoundation.net/EventDetails1.php



# Ashraya children



Over 25 Ness employees held conducted a Painting and Clay Modeling Workshop at Ashraya, a children's home dedicated to finding solutions for children within the framework of their own families, or in adoptive homes. The paintings and clay models created by these children were exhibited at the Art and Craft Park at Ness campus along with the paintings created by Ness employees' children. For more information about the Ashraya Children's Home, see: <a href="http://www.nriol.com/ashraya/subpages/Children.html">http://www.nriol.com/ashraya/subpages/Children.html</a>

In addition, during 2010, Ness India re-evaluated and restructured its diverse community empowerment programs into a clearly focussed strategy to support children's education and development. Following this refocusing of efforts, Ness India has adopted government schools in Bangalore, Mumbai and Hyderabad and works towards taking care of the educational and social needs of children in these schools through contribution to the improvement of basic hygiene, good infrastructure, teaching processes, and general life-enrichment activities through employee volunteering.

Some highlights from Ness India's activities in support of these schools are as follows:







School Painting Project – Nearly 50 employees and their family members volunteered for this School Painting Project that was conducted at weekends in May 2010,

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in order to make the school more welcoming and inspiring for the students. Activities included whitewashing walls, cleaning, painting educational images to inspire the school children to achieve more.

School Sanitation Project – The school toilets were in a poor state lacking good hygiene. Ness volunteers rebuilt the school toilets and plumbing system to provide a safe, pleasant and hygienic environment for pupils.



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International Literacy Day (8th September, 2010): Celebrating International Literacy Day, the Ness Bangalore volunteers took the pupils of Dodabelle school and their teachers for an educational excursion to the Jawaharlal Nehru Planetarium and also organized a book collection drive which will be the basis for a library to be established in Dodabelle school in 2011 by Ness.

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Donation of school shoes and sports equipment to the school children.

Ness Bangalore has provided 106 pairs of quality school shoes to ensure that every student at Dodabelle enjoys the comfort and convenience that comes with good footwear. In addition, Ness donated sports equipment to Dodabelle School to support the school's physical activity curriculum.

Ness President and CEO, Sachi Gerlitz and Ness India President and MD, Satyajit Bandyopadhyay a special school ceremony for the donation of school shoes in November 2010.





# Mandal Parishad Primary School in Hyderabad





Ness donated 36 school benches and Ness volunteers teach classes every weekend in Mandal Parishad Primary School. On Independence Day, Ness screened educational movies for the pupils

#### Pratiksha Nagar BMC School in Mumbai





Ness donates school stationery materials for use by the school pupils and Ness volunteers teach language courses every weekend to the pupils of Pratishka Nagar BMC School.

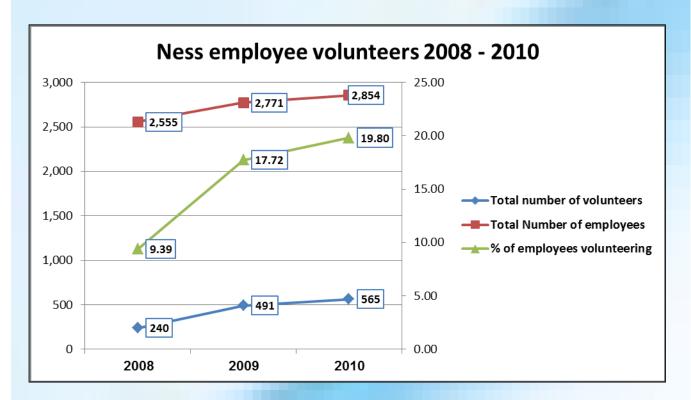






#### **Empowering Communities: NESS ISRAEL**

Overall in 2010, over 568 Ness Israel employees volunteered in community activities. This is a sharp increase in the number of volunteers, representing a concerted effort by the company to adapt community programs to the needs of employees and their willingness to volunteer.



Volunteering in the community advancing education and technology

#### Volunteering to teach technology courses

Ness employees have the opportunity to use their computer skills to instruct in various technology courses for different communities on a voluntary basis. These courses include:

- Computer skills training for women to provide tools for employability.
- PC Technician course for high school pupils at a school for youth at risk. Ness technicians spend time once a week in the computer lab and teach pupils computer fundamentals.
- Ness volunteers teach a computer course in the academic preparatory classes in the Tel-Aviv University for Ethiopian students.



#### Volunteering with schoolchildren

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Ness employees support two clubs for children between the ages of six and eleven, who come from broken homes. The "Reut" and "Eyal" Clubs provide lunch for schoolchildren and organize different social activities. Ness employees visit the schoolchildren for special events and holidays and take part in arts and crafts and other activities. The schoolchildren also visit the Ness offices where Ness employees help them with their studies and homework.

#### Volunteering for the environment

Ness Israel volunteers and their families spent time at the Shefayim National Park during 2010, taking take

part in preservation activities such as marking paths, painting and pruning.





Ness employees joined forces with the students of the Arazim youth village and created seating areas from recycled tires and plastic bottles. The



youth village houses 130 youngsters for whom the village is their only home. The seating areas are a great place for the students to relax.





Children of Ness Israel employees took part in a drawing contest, encouraging them to use their creativity to promote green awareness. Over 30 children submitted drawings representing different aspects of environmental impacts and activities. Three drawings were selected as winners of the contest.











# Empowering Communities: NESS SLOVAKIA (KOŠICE)

# Emergency response to heavy flooding

In response to major floods in Slovakia in May 2010, Ness came together with three other major employers in eastern Slovakia - U. S. Steel Kosice, VSE and T-Systems to help to cities, municipalities and individuals affected by the floods and landslide. Thousands of people had to

leave their homes in over 900 villages in Slovakia. Together, Ness and these partners donated EUR 220,000 for people and institutions suffering hardship. Ness decided to support flooded villages and donated EUR 10 000.

#### Adopting a turtle

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In 2010, Ness adopted a Chelydra serpentina (turtle). Using funds donated by employees, the local Zoo was able to buy food for a turtle for one year. Branislav Targoš (HR administrator) is pictured here in in Košice ZOO.



#### COALITION 2013+

Ness Slovakia is a founding member of Coalition 2013+, an association of representatives of the major companies in the Košice region willing to participate as partners of the project Košice Interface 2013. This project is critically important to the sustainable future and development of the Košice and Prešov region.

All the founding member companies are known as leaders in the area of ethical business practices which is the guarantee of the high ethical approach to all activities planned under umbrella of the Coalition 2013+.





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priormation for medic

Coalition 2013

As representatives of the major companies in the Košice region we acknowledge that the success of the project Košice Interface 2013 is ortifically important to the sustainable future and development of the Košice and Prešov region. The business community is open and willing to participate as partner of the project. It is ready to co-operate with other stakeholders to achieve a successful project outcom

We believe that the creation of the Coalition 2013+ will enable broader engagement of the public and groups of people organized in civic associations which we perceive as the added value for the project realization.

and will have its members in the Board of Directors of Kosioe – EHMK 2013, n.o. which will create synergy in the realized activities.

The created partnership of the public and private sector is unique and it can bring positive impact and increase the project's trust and credibility. All the companies which are the founder members are known as leaders in the area of ethical business practices which is the guarantee of the high ethica approach to all activities planner under umbreils of the Coalition 2013+.

We the undersigned are committed to work with the relevant stakeholders in all areas of Košice Interface 2013 project support, including supplying critical human resources and leadership to achieve a successful outcome of the project not only in the project time frame but also after the year 2013.

Košice; June 23, 2010

For more information contac

U. S. Steel Košice, s.r.o. - Ján Bača, spokesperson Východoslovenská energetika a.s. - Andrea Danihelová, spokesperson Tr. Systems Slovakia, s.r.o. - Ladislav Chudý, HR Director NESS Slovensko, a.s. - Silvia Pullmannová



Pictured below are representatives of companies that created the Coalition 2013+.

From left: Norbert Schürmann (VSE), George F. Babcoke (USSK), Jozef Ondáš (T-Systems) and Marek Antal (Chief Delivery Officer NESS KDC)





Marathon for Peace
Each year Ness Slovakia joins forces with our
colleagues from Ness Czech and spends one day
in Košice by participating on Košice Peace
Marathon.





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# Empowering Communities: NESS SLOVAKIA (BRATISLAVA)

Ness Bratislava, with only 115 employees, collected donations from employees to support fellow countrymen in eastern Slovakia which was heavily flooded in summer 2010. The Company matched all donations by employees.



# **Empowering Communities: NESS USA**

In 2010, Ness employees supported Haiti earthquake victims and Ness matched employee donations to the Red Cross Haiti Fund. One Ness employee visited Haiti and volunteered in the relief efforts. In addition, employees collected food for food banks in Pittsburgh, Boston, Hackensack, NJ and Bay Area CA and collected toys for the Marine Corps Organization for families in need.



# **Empowering Communities: NESS ROMANIA**

Ness Romania held a toy collection campaign on Children's Day (June 1<sup>st</sup>) supporting the campaign of the NGO World Vision. In addition, 40% of Ness employees donated money to support Maria, a little girl with autism who needs important and continuous financial support for treatment. For more about Maria, see: <a href="http://www.maria-ghinea.com">http://www.maria-ghinea.com</a>







# **Empowering Communities: NESS CZECH**

Ness Czech partners with Heart in Hand to foster children from crèches. In December 2010, Ness Czech became the general partner of this Endowment Fund, adopting children's home in Černá Voda. One of the main objectives of the Endowment Fund is to help children to integrate into society more easily and overcome the obstacles after they leave the crèche. Creches are sponsored both financially and through Ness volunteers in activities such as: skiing with kids, children's day, providing work experience for children, sponsoring a Christmas concert at the weekends with the children in Prague, sporting events for children, and many more. For more about Heart in Hand, see <a href="http://www.srdcenadlani.cz/">http://www.srdcenadlani.cz/</a>.



NESS Czech became general partner of Heart in Hand – Mirko Kalous, General Manager NESS Czech, Tereza Stopková, EF President 

Children from crèches - Christmas Concert



# Principle 2

#### Business should ensure that they are not complicit in human rights abuses.

In addition to transparently promoting Ness's commitment to the UN Global Compact, and ensuring that all suppliers and business partners understand Ness's approach to doing business, Ness also participates in a third party assessment of Ness's responsible practices.

Participating in the Maala Ranking for Social Responsibility in Israel

Ness demonstrates its commitment to Corporate Social and Environmental Responsibility by participating in the annual Maala Ranking in Israel. Maala is a non-profit organization promoting Corporate Social Responsibility in Israel which produces an annual ranking based on self-declared performance of traded Companies



against a detailed questionnaire in five areas: ethics, responsible workplace, community investment, governance and environmental protection. Approximately 70 companies participate in the ranking which grades companies according to Platinum, Gold or Silver levels. Ness Israel has participated in this ranking for the past three years, and has improved its position from Silver ranking in 2008 to Gold ranking in 2009 and 2010.

Ness also supports Maala by paying annual membership fees to support work to advance corporate responsibility.

For further details, please visit the Maala website: http://www.maala.org.il

# | Sector | Company name (Alphabetical order) | Sector | Code of efficial systems for graphs and works and work place work



Receiving the Maala Award 2010 for companies who participate in the UN Global Compact.



Left to right: Mr Effi Kotek, President Ness Israel; Mr Momo Mahadav, CEO Maala; MR Zvika Ziv, former Chairman of Maala.



# **Upholding Labor Standards**

#### Ness employees

Ness directly employs 7,710 people around the world, in the following locations, as at December 2010:

Location	Number of direct employees 2008	Number of direct employees 2009	Number of direct employees 2010
India	2,840	2,885	3,060
Israel	2,710	2,475	2,750
Europe	1,930	1,570	1,340
North America	580	495	525
Asia Pacific	365	410	35
Overall Total	8,425	7,835	7,710

#### EMPLOYEE CARE AND WELLBEING

Ness believes that employees who effectively manage their work commitments alongside their personal and family obligations and leisure time are more productive at work, and elect to stay with the Company through the long term. Ness therefore invests in employee wellbeing, and endeavours to create flexible working arrangements around the world, wherever possible, so as to enable employees to feel good about coming to work and make the right individual choices about how they can balance different commitments to contribute most effectively. Amongst the provisions that Ness provides in most locations to enhance employee wellbeing and work-life balance are:

- flexible working arrangements at almost all Ness locations around the world
- paid sick leave up to agreed limits in each country
- gifts and paid time off to celebrate family events such as marriage and birth of children, or to mourn in the case of family bereavements

- extended maternity leave for women
- events for children and families at holiday times
- organizing events, outings, family trips etc.

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Ness programs and policies differ around the world in each Ness location, tailored to regulatory requirements, market practices and local employee needs. Most of these policies and programs were detailed in our first Communication on Progress. We note some updates below:

#### **NESS INDIA**

Ness-E-Spa (Counseling service) for employees: a free, 24 hours a day counseling and referral service, designed to help employees and their family members solve life's daily challenges, providing round-the-clock assistance programs which enables them access to a range of confidential advice, information and support services. 5.3% of Ness employees used Ness-e-spa services in 2010.

Ness Day Care Center: a day care center for employees' children in close proximity to the work place ensures that families worry less about baby-care with access to reliable baby-care facilities while at work. This facility is currently available in Bangalore and Hyderabad. 10 children used the Day Care Center in 2010.

Medical Assistance: Ness maintains the regular presence of a Physician, on a regular basis within the office campus. Employees are also offered a Free Annual Health Check-up Man-Friday/Helpdesk: Ness employees enjoy the convenience of a dedicated helpdesk to take care of routine chores while at work. The helpdesk provides a range of options including payment of utility bills, the purchase of travel and entertainment tickets, to holiday packages and documentation work involving government agencies, property

PC Ioan Scheme: Eligible Ness employees are entitled to receive an interest free Ioan to purchase a computer.

Interest Free Loan: Eligible Ness employees are entitled to receive an interest free all-purpose loan. 225 Ness employees took loans in 2010.

Education Assistance Policy: 80 Ness employees received financial assistance from Ness in 2010 to advance their education.

In keeping with our vision to become a global, premier provider of innovative, valuecreating technologies and solutions, we encourage our employees to constantly upgrade their competencies and leverage their potential by providing them financial assistance. Nearly 80 Ness employees used this facility in 2010.

Fitness: Ness provides state of the art gymnasium with A-class equipment and professional trainers to help Ness employees engage in physical activity and take care of their personal health.

Workshops: Ness organizes workshops for employees by experts on various topics such as parenting workshop, grooming, women's wellbeing, personality development etc.

 documentation, and much more.



# NESS SLOVAKIA (KOŠICE)

Ness Slovakia maintains flexible and home working arrangements to provide a range of options for employees to manage work and home life. Equally, Ness provides a gym and fitness programs including sports tournaments for employees. During the summer, Ness organized the NESS Summer Club nursery for children of Ness employees, supervised by experienced assistants.





#### **NESS CZECH**

Ness Czech has introduced a new policy for employees - partner benefits. Ness employees can choose from wide range of benefits provided by clients, partners and other companies, including discounts on language courses or children's language school, discounts on cosmetics and hairdressing services, discounted mortgages, discount on selected cars and more.

In September 2010, Ness Czech launched a "Benefit Cafeteria" for employees. A nomination to the Cafeteria rewards the employees for their outstanding performance and long-term contribution.

Ness encourages and enables women returning from maternity leave to return to an appropriate position on a part-time basis, which is not very common in the Czech Republic yet.

In 2010, the Prague International Marathon series was attended by 17 Ness employees. Ness Czech pays the entry fees and sportswear costs.



**Prague International Marathon** 

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## Principle 3

# Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

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Ness Technologies complies with all regulations and legal requirements regarding the right of employees to form or join a representative association. In practice, Ness employees are employed on personal employment contracts. In the workplace, Ness encourages open dialogue and discussion on all matters of employment terms and conditions amongst employees and all matters are promptly addressed by Human Resources Managers or other Managers in the different departments. We believe this contributes to an environment of responsibility and common understanding of the needs of employees and their wellbeing at work.

# Principle 4

#### Business should support the elimination of all forms of forced and compulsory labor

Ness Technologies forbids the use of forced labor in any form. All employees are free to select Ness as their employer and are offered an employment contract which they sign at the start of their employment with the company. This contract details all the specific terms and conditions of employment to which the Company commits and the employee freely agrees.

#### Principle 5

#### Business should support the effective abolition of child labor

Ness Technologies forbids the use of child labor in any form. We are aware that International labor conventions define the minimum age for employment in developed countries as age 15, unless alternative local legislation exists. Ness complies with all local legislation in all operating countries relating to child labor, and confirms that there are no children under age 15 employed by Ness anywhere in the world.



#### Principle 6

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# Business should support the elimination of discrimination in respect of employment and occupation

# Diversity and Inclusion

Ness Technologies upholds a strict global policy of equal opportunity, diversity and inclusion which is also reinforced in our Code of Business Conduct. All employees, whatever their background, race, nationality, gender, color and all other indicators of diversity are welcome to join Ness and enjoy the same opportunities as all other employees. We make reasonable efforts to ensure that our recruitment process encourages a diverse selection of candidates. Throughout the world, Ness employs people of over 60 nationalities, and we celebrate the different backgrounds, perspectives and capabilities they bring to the business. Terms and conditions of employment, including salary and remuneration, are applied equally for all employees based on performance and potential.

#### Advancement of women

Ness believes that the business has an obligation to advance women who play a significant role in our economies throughout the world, and who are often disadvantaged in a business context. Ness seeks to create a culture of inclusion where both men and women understand the need for gender equality, and to ensure that opportunities for women are not only available but also proactively created. Throughout the world, Ness offers training and development programs for women and looks for opportunities to promote women to senior levels of management. Overall, around the Ness world, women make up approximately 14% of all management teams. Ness is planning a global program in 2011 to advance women in Ness business. In the meantime, some initiatives are already underway.

Ness India





In 2010, Ness India launched "The Ness Woman - A Women's Forum", an initiative to strengthen and support the role of women employees at Ness as each plays multiple roles to balance work-life. Women were invited to hear a on Work Life Balance by a renowned industry leader Priya Chetty Rajagopal, Principal Consultant (VP) Stanton Chase International, and a lecture on Portfolio and Wealth Management by financial experts. An awareness session on sexual harassment policy was also organised to inform Ness women of their rights. In Ness India in 2010, the workforce is made up of 21% women, and women make up 12% of the management level.

# NESS SLOVAKIA (KOŠICE)

Ness Slovakia is known as a gender responsible organization and was awarded a certificate in 2007 demonstrating compliance with "Chance for Equality" criteria and successful implementation of all project activities including gender mainstreaming. The project was approved by the Equal Company and funded from the budget of the Slovak Republic and the European Social Fund. Ness Slovakia continues to promote gender equality with 38% of company managers being women in 2010.



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# Protecting our Environment



# Principle 7

#### Business should support a precautionary approach to environmental challenges

Taking responsibility for our direct environmental impacts

Ness's policy is to operate its business as a corporate citizen committed to sound environmental management and with concern for the well-being of our common environment. Our goal is to ensure that company facilities and operations are in compliance with federal, state and local environmental standards. We believe that an appropriate balance can and should be achieved between environmental goals and economic health and therefore make efforts to reduce our environmental footprint.

Ness aspires to apply these principles in its business in the following ways:

- reduce environmental impacts through increase efforts in environmental projects
- include environmental considerations in all our business decisions
- comply with all laws and regulations relating to environmental protection
- proactively seek ways to reduce environmental impacts
- define goals, targets and work plans to track and drive improvements in environmental impacts
- involve Ness employees in the achievement of our environmental objectives

At present, each Ness subsidiary manages its own environmental impacts on a local basis, each driving performance and activities in line with the local regulatory framework, business size and activities, and compatibility with other activities. During 2011, we expect to consolidate this approach on a global basis to provide common processes and shared targets.

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# Principle 8

# Business should undertake initiatives to promote greater environmental responsibility

The following are examples of environmental activities of note in different Ness locations around the world during 2010:

# **NESS INDIA**

To commemorate World Environment Day, Ness Technologies ran various campaigns to increase environmental awareness and commitment. Ness India created the Green Rangers program in which 25 employees have volunteered to spearhead Ness' Green initiatives and drive environmentally friendly practices in the workplace.



Newspaper Collection & Paper Bag making contest: This campaign aimed to encourage employees not to use plastic bags and substitute it with paper bags for their day-to-day usage. 50 employees collected over 400 kg of newspapers from their homes. The team that collected the most newspapers was declared the winner. The newspapers collected were provided to

an NGO to make paper bags for distribution to Ness employees. Employees also created paper bags from the newspapers collected and again an award was made to the winning team.



Tree Plantation: 36 Ness employees planted 100 Neem saplings in Rajiv Gandhi Institute near NIMHANS in June 2010.



E-waste Collection drive: E-waste Kiosks were set up in Hyderabad offices to collect e-waste. All waste is disposed of in an environmentally friendly way by a third party organization.

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Reduce paper usage: All printer settings were changed to double-sided printing.

Save Electricity Campaign: Ness's 'Save Electricity Campaign' was aimed at reducing Ness's electricity consumption through switching off lights and other electrical appliances when not in use.



Global Warming Awareness
Campaign – Ness India organized an
awareness campaign on Global Warming
with the help of Green Peace. Two kiosks
were set up in the Ness cafeteria and an
interactive session was conducted.

# **NESS ISRAEL**

Ness Israel has an Environmental Steering committee which drives local environmental activities. The Committee is led by the Company Logistics Manager who reports to a member of the Executive Committee, and is comprised of 15 employees from around the business. The Committee focuses on are:

- managing Ness's recycled waste project for electronic waste
- driving employee awareness and launching green communications to employees
- continuing to drive practices for reducing paper consumption, plastics disposal, water and energy consumption reduction.

# Reducing and recycling office waste

Ness continuously encourages employees to be alert to all ways of reducing waste. As a result of these efforts and more efficient business practices, significant progress has been made. 80% of this waste is recycled. Ness's average levels of waste are between 20 and 30 tons of office waste per year.

Ness Israel manages recycling of its office waste (paper, batteries and toners) as part of a collaborative arrangement with the non-profit organization Malraz. Malraz is the first environmental non-profit founded in Israel to address environmental damage. The project

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also involves people with special needs who are involved in the collection and sorting of office waste. For more details about Malraz, please visit their website: <a href="http://www.malraz.org.il/?CategoryID=157">http://www.malraz.org.il/?CategoryID=157</a>

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# Reduction of paper consumption

All employees at Ness Israel are urged to save paper by avoiding printing wherever possible, and by printing double sided as an alternative. Ness offices use recycled paper.

# Reduction of water and energy consumption

All water, lighting and electricity supplies in Ness Israel offices have been fitted with control meters to reduce consumption. Computers are shut down automatically at 20:00 each day and air-conditioning is shut down three times daily. Additionally, computers are configured to move into auto-sleep mode when not in use and during 2010, more of Ness's business moved to a virtual environment reducing the number of servers required and therefore reducing energy for cooling.

During 2010, Ness electricity consumption remained stable due to the expansion of Ness offices and the incorporation of a new group of employees through acquisition, though water consumption increased versus the previous two years. Ness undertakes to examine its total electricity and water consumption and reduce these values in coming years.

Year	2007	2008	2009	2010
Total electricity consumption (kw/h)	5,770,923	5,502,208	6,587,126	6,516,765
Total water consumption (m <sup>3</sup> )	13,908	9,402	10,965	12,115



# Electronic waste

In 2009, Ness Israel initiated the establishment of an electronic waste recycling and disposal center in the Business Park Atidim where Ness Head Offices are located. The center opened in August 2009 for waste deliveries from the hundreds of Companies who are resident in the business park, providing a much needed solution for this environmental problem. The Electronic Waste Center was developed in partnership with the Atidim Business Part Management, and is operated by Ness and Atidim employees on a voluntary basis as a service to the business community in support of the environment.

All Ness's electronic waste is routed to a non-profit company who employs disabled people to dismantle electronic components and sell them. The proceeds go to support the disabled community in Israel. In 2010, 650 kg of electronic waste was collected from around 40 companies in Atidim Park (600 kg were collected in 2009). For more details about Ecommunity, see:



www.ecommunity.org.il/

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# NESS SLOVAKIA (BRATISLAVA)

Ness Slovakia (Bratislava) was certified for ISO 14001 in June 2010. Environmentally friendly office practices are maintained through use of shades on windows to reduce air conditioning and use of ecological coolants in air conditioners and more.

# **NESS ROMANIA**



Ness Romania conducted two environmental audits conducted in 2010 and continues to implement environmental friendly practices in Ness offices. All employees are trained annually in environmental issues. Ness employees took part in the national cleaning day in September 2010.



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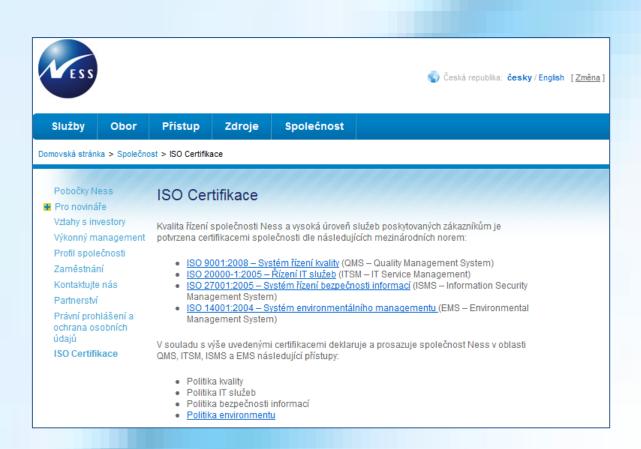
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### **NESS CZECH**

NESS Czech successfully passed the Environmental Certification ISO 14 001 audit in August 2010 conducted by the accredited certification company Lloyd's Register Quality Assurance. Environmental documentation is available on the intranet for all employees, including Ness's environmental policy. Employees are trained in environmental issues in an eLearning course upon joining the company and every year thereafter.

Examples of activity promoting the use of energy efficient technology include reducing the amount of unsorted waste and collection of hazardous waste in containers for recycling waste at all Ness locations in August 2010.



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# Principle 9

# Businesses should encourage the development and diffusion of environmentally friendly technologies

Solutions for our customers to reduce their environmental impacts

# NessPro GreenIT

Ness's core business is the development of IT technologies and client solutions which leverage business efficiencies and therefore provide a constant stream of opportunities for clients to reduce negative environmental impacts.

Ness is focused on "Output Management", offering customers substantial opportunities to reduce electricity and paper usage impacts.



Ness focuses on 3 main approaches to assist customers in reducing their environmental impacts. Essentially,

Power Management: Ness technology solutions facilitate the real-time management of company-wide power savings, offering unique features to define different settings for work hours/non-hours, power saving options per application, scheduled wake-ups allows performing scheduled IT operations, "wake-up" computers based on users arrival times at the office, shutdown, restart and "wake-up" computers on-demand and full reports on



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power consumption and savings. Application of Ness Power Management technology enables up to 65% of power saving.

ePaper Management: Ness offers two core solutions for the efficient management of paperless systems. The **eDoc** technology transforms the design, delivery and management of business-critical documents into an efficient and simple process through the creation of easy 'Form Design' for converting 'pre-printed' forms into electronic forms supported by data manipulation and integration with existing business applications and dynamic interception of print jobs for applying and incorporating graphic formatting such as text, graphics, labels and barcodes. Ness's **eFAX** technology enables high performance virtual fax server for incoming and outgoing faxes via SMTP, MS-Exchange, printers and electronic folders which is integrated with business applications such as SAP, Oracle, Lotus Notes to provide easy to use and easy to manage document delivery and archiving.

Ness ePaper solutions are currently in use by almost **100 companies** in Israel and around the world, of which many are global businesses applying the solutions in all operation locations. Ness estimates that customers save over 20% of their total paper requirements through adoption of such solutions, which means that **hundreds of millions of sheets of paper are being saved each year** through adoption of Ness epaper solutions.

# ePaper - Bank Hapoalim

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Bank Hapoalim, the largest Israeli banking group, has implemented Ness e-solutions to reduce paper usage in two ways.

First, Bank Hapoalim has eliminated faxes in the daily operations of over 6,000 users with electronic solutions saving over 10,000 faxes daily, which equates to over 2.5 million sheets, or over 13,000 tons of paper usage eliminated each year. Secondly, in addition, the Bank has eliminated the purchase of over 2.5 million pre-printed forms annually and moved to specialized printing of forms as needed, thereby saving significant amounts of paper and ink. This solution delivers not only substantial cost savings for the Bank but significantly improves their environmental impacts. All other Ness epaper customers have had similar experiences, depending on the business size.

Printer and Ink Management: Ness technology solutions enable up to 45% savings in power, paper and ink resources as a result of the revision of any company's printing infrastructure, by means of optimization of toner and ink consumption, printers management, control and alerts, mechanisms for reinforcing user behavior to reduce printing and real-time control and audit of resources used and associated costs. Using these solutions, significant electricity consumption is avoided as well as reductions achieved in paper and ink usage.



One of the Ness output management solutions includes Ness's marketing and distribution of Preton "print and save" technology solution which enables up to 50% savings on ink and toner while delivering equal print quality.



Preton's patent-pending technology, Pixel Optimizer™ incorporates state of the art mathematical algorithms to identify and delete wasteful pixels during printing, offering substantial savings on toner and ink, yielding up to 20% in paper savings and 50% in use of ink and toner. Preton has won two awards for environmentally friendly products.





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# Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

# **Acting against Corruption**

Ness Technologies Code of Business Conduct expressly forbids the giving and taking of bribes and any form of conflict of interest, extortion or corruption. Ness will not do business in countries where this type of activity is a condition for success. Ness continuously advises its employees to uphold these principles. There have been no known instances of bribery or corruption in Ness, other than minor misdemeanours on the part of employees which have been promptly addressed. Ness operations are conducted according to highest standards of integrity and strict quality and operating guidelines including ISO 27000 certification relating to Information Security Management Systems which has been achieved at Ness larger sites (India, Israel, Czech Republic).

Ness is in the final stages of finalizing a comprehensive anti-corruption policy that will incorporate US, OECD and Israeli regulatory requirements. As part of the policy, during 2011, Ness will appoint a compliance officer and will develop a training plan for employees.



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# **Future Plans**

The key areas Ness will focus on in 2011 to advance Corporate Responsibility practices and improve the Company's global impacts on all stakeholders are:

# **Human Rights and Ethics**

Develop a policy for Human Rights and its application in all Ness businesses

Improve embedding of the Ness Code of Business Conduct and a global e-learning platform

Implement a comprehensive anti-corruption program and compliance training

# Workplace

Establish a global CSR forum with participation from all Ness locations.

Develop and implement a global policy for diversity and inclusion.

Progress the advancement of women in Ness businesses around the world.

# Community

Develop greater global alignment of community investment programs with shared goals and tracking processes.

Hold a CSR month in 2011 to encourage employee volunteering and community engagement.

### Environment

Develop global policies in the area of environmental protection, comprehensive tracking of core data and targets for improvement.

Reduce electricity consumption in Ness Israel operations.

# Transparency

Move towards greater transparency and full Corporate Responsibility Reporting in line with Global Reporting Initiative guidelines.



# About this Communication on Progress



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Ness Technologies participates in the United Nations Global Compact since July 2009. This is Ness's **second** Communication on Progress and covers all Ness global operations in 18 countries. Ness's first Communication on Progress can be downloaded here: <a href="http://www.ness.com/Global/Company/Pages/CorporateSocialResponsibility(CSR).aspx">http://www.ness.com/Global/Company/Pages/CorporateSocialResponsibility(CSR).aspx</a>

Ness Technologies confirms its global commitment to responsible operations in line with the UN Global Compact principles. All Ness Technologies local operations around the world are committed to the Global Compact principles, and are working in many ways to make continuous further progress.

This Communication on Progress is posted on the UNGC website and on the Ness corporate website. It is also posted on the Company's global intranet site for all employees.





# Preparation of this Communication on Progress

This Communication on Progress was prepared by Inbal Cinman, Corporate Responsibility Manager, Ness Technologies, with the support of Ness colleagues around the world. It has been approved and endorsed by the Executive Leadership Team of Ness Technologies. We welcome your feedback.



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This Communication on Progress has been prepared with the support of an external specialist in Corporate Social Responsibility who confirms that all contents are an honest and accurate representation of Ness Technologies adherence to UNGC principles. Elaine Cohen, CEO of Beyond Business Ltd, <a href="https://www.b-yond.biz/en">www.b-yond.biz/en</a>, February 2011





# Ness Technologies Ltd

We make IT happen .... responsibly!



# UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS February 2011



