



Smarter Networks, Smarter Business

Comverse Inc.



**UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS**

November 2012

www.comverse.com

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Quick Facts about Comverse

- Comverse's Billing and Active Customer Management solutions serve 750 million subscribers worldwide, and support 18 of the world's 25 largest telecom providers.
- Comverse's Mobile Internet solutions have been deployed by more than 60 operators worldwide. In the U. S., for example, Comverse handles more than a third of mobile Internet traffic.
- Comverse's Voice Platform has been chosen by some 140 operators worldwide to deliver advanced services.
- Comverse's MMS solution has been deployed by more than 70 operators worldwide, including numerous tier-1 carriers.
- Comverse's SMS systems support more than a trillion messages yearly for more than 250 operators and half-a-billion end users.



"There is no such thing as too much communication with employees. This is especially true in difficult times. You just have to keep talking, sharing, updating and dealing with the issues in an open way." Tal Sabag, Global Internal Communications Director

"For our service provider customers, Comverse is their bridge to the new world." Oz Ovady, SVP VAS GM

"We cultivate an atmosphere in which people are encouraged to raise new ideas." Mark Yampolski, VP R&D

"We focus on utilization of all bandwidths most efficiently - we get more performance with less hardware, less silicon and fewer resources at low energy levels, using the latest technology." Roni Levy, SVP, BSS

"We have found that volunteering work builds employee spirit and motivation and contributes to better teamwork" Adi Pinson, Executive PA, HR

"Our customers are looking to improve their own carbon footprint and energy efficiency. Our job is to deliver the solutions that help them do that." Garrison Macri, VP North American Sales

"The Board is highly focused on ensuring the right type of conduct. Legal and Compliance functions work closely together with the business. It's a three legged approach: we identify risks, they help us identify risks." Shefali Shah, SVP, General Counsel

"Managing employee lay-offs is handled with great care and professionalism. There are many checks and balances along the way. There are no random choices." Rini Karlin, AVP HR

"Comverse has a history of long-standing relationships with customers. There is a lot of trust, and that helps productive collaboration over the years." Geoffrey Coleman, AVP BSS Product Offering

"We try to promote CSR values and engage employees around the world. We develop as many opportunities as we can to align business objectives with values in our employee development activities." Nick Thurlow, VP Human Resources

"Customer Service and satisfaction is vital. We survey all our active customers at least once per year." Adi Agasi, Customer Satisfaction Manager, Operations BU

"Community involvement strengthens the bond between our company and our employees". Rakesh Bahri, Manager, APAC HR Service Center

"We strive to be good citizens. We do whatever we can to comply and work within the law." Joel Legon, CFO

"We respect the United Nations Global Compact framework because it defines clear principles and enables us to confirm our commitment while leaving room for implementation in a way which makes sense for our company." David Frishkorn, Chief Compliance Officer

About this Communication

This is Comverse's first Communication on Progress to the United Nations Global Compact, and covers Comverse's global business operations in 2011. Comverse was accepted as a participant in the United Nations Global Compact initiative in November 2011.

The United Nations Global Compact is the largest voluntary initiative in the world which unites corporations and other organizations in support of a set of principles which underpin the responsibility of companies to behave in a way which protects people, society and communities and the environment, and their accountability to all. In supporting these principles, we commit to ensuring our business activities are conducted in accordance with these principles and in a way which advances awareness and adherence around the world.

The Ten Principles of the Global Compact are:

Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights.
Principle 2:	Businesses should make sure they are not complicit in human rights abuses.
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4:	Businesses should uphold the elimination of all forms of forced and compulsory labor.
Principle 5:	Businesses should uphold the effective abolition of child labor.
Principle 6:	Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Principle 7:	Businesses should support a precautionary approach to environmental challenges.
Principle 8:	Businesses should undertake initiatives to promote greater environmental responsibility.
Principle 9:	Businesses should encourage the development and diffusion of environmentally friendly technologies.
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.

For more about the UN Global Compact, see: www.unglobalcompact.org

Availability of this Communication on Progress

This Communication on Progress is hosted on the UNGC website and on the Comverse corporate website. Internally, this Communication on Progress is available on the company's global intranet site for all employees and is communicated to them through different channels.

Our Commitment

H.E. Ban Ki-Moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

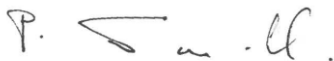
Comverse Confirms Support for the UN Global Compact

I am pleased to confirm with this, our first Communication on Progress, that Comverse, Inc. supports the Ten Principles of the United Nations Global Compact relating to human rights, labor rights, the environment and anti-corruption.

As a global business, we recognize our responsibilities to conduct ourselves in an ethical way and add positive value for society as a whole. We believe our core business offering – smarter networks – is a major contributor to helping our customers deliver solutions that increase connectivity between people, enable more energy-efficient communications, and provide innovative options which increase the quality of life and progress in many different ways. We recognize that we hold a responsibility to make this contribution in a way which inflicts no harm on people and communities around the world and our natural environment. We therefore respect the UN Global Compact framework and believe our operations are in alignment with both the letter and the spirit of the Ten Principles.

With this Communication on Progress, we articulate our support for the Global Compact principles and the broader context of the Millennium Development Goals. We undertake to make an annual statement to all internal and external stakeholders of this commitment.

Sincerely yours,



Philippe Tartavull
Chief Executive Officer
Comverse, Inc.

November, 2012

About Comverse

Founded in 1984, Comverse Inc. is a provider of software and systems enabling converged billing and active customer management, mobile Internet, and value-added services.

Comverse is publicly traded on the NASDAQ stock exchange (CNSI). CNSI reports an annual turnover of over \$770 million and is headquartered in Wakefield, MA, U.S. Comverse employs close to 3,000 people in 90 offices worldwide and serves over 450 customers in more than 125 countries.

Restructuring Comverse for Smarter Business

During 2010-2011, Comverse restructured its global operations to improve operational efficiency and business performance.

Comverse Core Business Units

BSS

Business Support Systems - includes converged, prepaid and post-paid billing and active customer management systems and groups engaged in product management, professional services, research and development and product sales support.

VAS

Value-added services business - includes groups engaged in VAS delivery, voice product research and development, messaging product research and development and product sales support.

Mobile Internet

Mobile Internet products - includes groups engaged in product management, solution engineering, delivery, research and development and product sales support.

Global Services

Customer post-delivery services - includes groups engaged in support services for BSS, VAS and mobile Internet products, services sales and product management.

These business units are supported by global corporate functions which include:

- Customer Facing Group, providing overall customer account management and sales.
- Operations Group, which provides centralized information technology, procurement, and supply chain management to all business units.
- Strategy and Innovation, Finance, Legal and Human Resources Groups.

Governance at Comverse

Ensuring we are Ethical, Compliant and Focused on Creating Value for Stakeholders

Board of Directors

During 2011 and most of 2012, Comverse, Inc. was a wholly-owned subsidiary of Comverse Technology, Inc. (CTI). CTI's Board of Directors is comprised of five independent Directors, led by the Chairman of the Board, Mr Charles Burdick, who also presided as the CEO of Comverse Inc. in 2011. Directors are selected according to their skills, experience and ethical conduct, to serve stockholders and oversee the management of the company's business, through establishing high standards for all employees.

Through its Governance & Nominating Committee, an annual assessment of the skills and characteristics required of directors is conducted, and includes issues of judgment, diversity, age, and skills. Director candidates must exhibit high personal and professional ethics, integrity and values, and experience relevant to the Board's oversight of the business as well as commitment to the long-term interests of shareholders. The Board as a whole seeks to reflect diverse experience and directors are selected with this balance in mind.

In addition, to encourage continuous improvement, the Board and its committees conduct annual self-evaluations of their performance and periodic evaluations of individual director performance. Total compensation for members of the board reflects effort and time invested, and may vary between members according to their responsibilities and duties. To help align directors' interest with those of the company's shareholders, all directors own stocks in the company, and are expected to increase their holdings over time.

Board Committees

Comverse Board Committees

Audit Committee

- Oversees financial reporting process, compliance and Code of Business Conduct.
- Reviews independent auditors' qualifications and the performance of the internal audit function.
- Reviews and authorizes related-party transactions.

Corporate Governance and Nominating Committee

- Identifies individuals qualified to serve as directors.
- Develops and recommends corporate governance guidelines and principles.
- Reviews practices and recommends improvements.

Compensation and Leadership Committee

- Reviews, determines and recommends for Board approval the compensation and incentives programs for the company's executive officers, and equity compensation programs for employees.
- Reviews compensation policies and practices from a risk management perspective.

Our Vision, Mission and Values

Vision

Comverse envisions a more expressive world in which personalized communications enrich the quality of life.

Mission

Comverse is the world's leading provider of software and services enabling Communications Service Providers (CSPs) to maximize value from their networks.

Comverse focuses its expertise in the domains of Billing and Active Customer Management, Mobile Internet, and Value-Added Services, complemented by a suite of growth-promoting services.

Goals

Comverse is committed to be the global partner of choice in providing productized solutions and services that make CSP networks smarter, enabling them to unleash the value of their networks for their customers.

Core Values

Comverse is committed to the following core values:

Integrity

Accountability

Change

Teamwork

which, taken together as an acronym, form our corporate mantra:

I ACT @ Comverse for the good of our customers, employees and shareholders

Comverse's Products and Services

Communicating - Connecting – Converging for Smarter Business and Smarter Impacts

Our services enable our customers to provide end-users with a range of communications and content options and experience first-hand the global village and all it has to offer. From voice mailing, through text and photo messaging services, Comverse is responsible for bringing communications to millions of people worldwide, and in some communities, the ability to connect with the outside world.

Comverse's products and services are used by more than 450 wireless, wireline and cable network Communications Service Provider customers in more than 125 countries, including the majority of the world's 100 largest wireless network operators. Comverse's products and services are designed to generate voice and data network traffic, increase revenue and customer loyalty, monetize services and improve operational efficiency.

Comverse Products

Comverse Business Support Systems (BSS)

In the communications industry, billing solutions are typically provided by software vendors that develop systems to support Communications Service Providers as well as their end users. Comverse's billing systems include solutions for prepaid, post-paid and converged billing.

In addition to providing customers with a billing infrastructure for services and content delivered over their networks, Comverse's BSS solutions enable customers to introduce new products quickly and upsell or cross-sell through real time marketing. Furthermore, Comverse's systems accommodate customers' growth or changes to their business model through the ability to add functionality over time.

Comverse ONE Billing and Active Customer Management

The Comverse ONE Billing and Active Customer Management solution is a single product that provides comprehensive BSS functionality and includes charging, ratings, support and customers relations elements, campaign management, sales force automation and converged billing.

Comverse Value Added services (VAS)

Comverse VAS is a synergistic framework of value added services that enable Communications Service Providers to enhance offerings to end users, reduce operating expenses and as a result, secure their place in a competitive market. In 2011, Comverse VAS had a 28.5% market share, with the rest of the market divided between multiple companies.

VAS products

- **Comverse Voice** includes Comverse Next-Generation Voicemail, Visual Voicemail and Call Completion services which notify users of missed inbound calls via text message.
- **Comverse Messaging** includes Short Message Service Center, Multimedia Messaging Service Center, which enables the messaging of pictures and video over wireless networks, and Messaging Gateway, which provides a secure and managed multi-channel entry point into an operator's network for external content.

Comverse Mobile Internet

Comverse's Mobile Internet solutions enable wireless users with optimized access to Mobile Internet websites, content and applications, and generate data usage and revenue for wireless operators.

Comverse Global Services

As part of our commitment to provide a high quality service and support for our customers, Comverse created Comverse Global Services, to help customers achieve optimal operational efficiency and expedite introduction of new services. Comverse Global Services include:

- Business Processes Management & Consulting Services.
- Application Management Services.
- Operational Services.
- Infrastructure Management Services.

- **Prepaid billing:** A subscriber purchases credit in advance of service use.
- **Postpaid billing:** A subscriber enters into a long-term billing arrangement with a Communications Service Provider and is billed after the fact according to use at the end of each period.
- **Converged billing:** Operators manage multiple services, including payment for prepaid and postpaid subscribers, across fixed and mobile communication, broadband, TV and other emerging services.

Smarter Networks, Smarter Business: Delivering Value

From services that help end-users manage their communications accounts better, and applications that improve communication between people, to applications that save lives, Comverse's products and services contribute to the advancement of the communications field, the energy-efficiency of our communications networks and the improvement of people's lives through innovative communications technologies. The result is more people, in more places connecting with each other, for more reasons, as never before, in a sustainable manner.

We are proud to be considered an innovator in our field and a leader in our market with over 450 customers worldwide. Through our customers, Comverse's technology reaches over 750 million people in developed and emerging markets, enabling each of them the opportunity to participate in the telecommunications revolution, and transform the way they connect and communicate. We lead the market in voicemail, SMS and MMS technologies, the most commonly used low-cost methods of real-time communication that allow people to connect and share experiences.

Our customers are the leading Communications Service Providers in the world. By utilizing a range of advanced communications technology options, Comverse's products allow our customers to offer products and services tailored to the needs and financial capabilities of their end-users, and to provide both cost and energy-efficient services.

Making Communications Technology Affordable and Accessible

Everyone wants to connect! Everyone wants to be part of our new fast and interactive community around the world. Both in developed countries, where communications infrastructures are highly developed, and in emerging markets, where urbanization and the growth of a new middle class have heightened the need for rapid infrastructure development, the tipping point of communications technologies has been reached. Our customers, major Communications Service Providers, are facing vast growth opportunities which we can help them realize. However, in a recessionary Western world and bottom-of-the-pyramid emerging economies, where disposable income is inadequate or unstable, new creative solutions must be found to make communications technology available at an affordable price and in consumer-friendly packages. This is the competitive edge that communications providers seek.

Comverse's Prepaid Billing provides a solution. Prepaid Billing enables providers to offer communications services paid for in advance to consumers that require no financial collateral, as well as offering Western consumers an opportunity to limit usage of communications services to a pre-defined level, prevent "surprise" charges and allow them control over what they, their families, or employees spend. Prepaid Billing removes financial risks for the service provider and for the consumer, while expanding availability at an affordable price to millions of consumers.

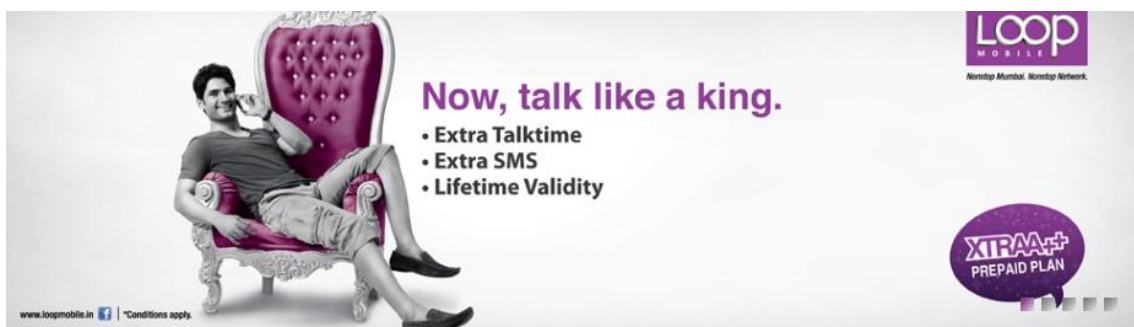
Affordability and Accessibility in India including Community Building 1st time on Prepaid

India is considered the largest growing telecommunications market in the world, with a subscriber base of over 950 million which is expected to reach over 1 billion by 2014. Several Indian service providers operate in the Indian market to provide cost efficient, reliable and accessible forms of communications technology to the consumer masses. With 80% market share, and close to 10% of the global revenue of Comverse, we are the leading Business Support Systems (BSS) vendor in India, employing 145 people, serving 20 Communications Service Providers and 250 million subscribers nation-wide.

An example of deployment of new technologies can be found in **Loop Mobile**, a Mumbai-based service provider with over 3 million subscribers, operating since 1995. Loop Mobile offered primarily postpaid solutions to a subscriber base mostly comprised of corporate accounts and small businesses. Striving to widen its customer base and establish itself in the private sector, Loop sought a solution for pre-paid services.

Using a range of Comverse BSS technologies and VAS products, Loop Mobile has now been able to massively expand its offering, both increasing access and affordability, with new marketing capabilities that enabled Loop Mobile to offer unique plans and discounts to targeted audiences. As a result of this change, Loop Mobile saw an increase of over 30% in its subscriber base.

One example of an innovative new brand, made possible by the adoption of pre-paid technology, is the DUS KA GANG, Member Get Member & recently Xtraa++ products, all uniquely modeled products, have become very popular with young people in creating communities. This is a unique proposition that enables end-users to create their own groups which share the costs in a prepaid plan and enjoy a range of benefits, making it very cheap to talk and text within the "gang".



The advertisement features a man in a grey t-shirt and shorts sitting on a large, ornate, purple tufted chair, holding a mobile phone. The background is white. Text and logos are positioned around the image.

Now, talk like a king.

- Extra Talktime
- Extra SMS
- Lifetime Validity

Loop MOBILE
Mumbai. Mumbai. Mumbai Network.

XTRAA++
PREPAID PLAN

www.loopmobile.in | *Conditions apply.

A Lifeline in Japan – Texting in Times of Disaster

In March 2011, a devastating earthquake and tsunami hit Japan, causing widespread destruction, taking the lives of more than 25,000 people and leaving half a million people homeless. All forms of communications throughout Japan were overloaded and the entire communications infrastructure collapsed, leaving a confused and scared population with no means of connecting with family, friends, emergency services and all other channels of support. People were left isolated and distressed and unable to gain information or call for help.

However, one form of communication was sustained throughout this disaster: the local IP and Mobile Broadband network. The broadband service offered by Comverse which continued to operate throughout the entire emergency period and Comverse's SMSC (Short Message Service Center) was available to all that could access it through a mobile phone, due to the extent and resilience of the VOIP infrastructure. This enabled many people to communicate using text messages during the disaster and in some cases, led to the rescuing of people trapped or under distress.

IP: Internet protocol, the method by which information is sent between any two computers on the Internet.

Broadband: High-speed data transmission in which a single cable can carry a large amount of data at once.

As a result of this experience, and a realization that IP and Broadband availability plays a critical role during times of emergency, Japan's telecom operators united to create an IP-based Disaster Voice Service (DVS) which will provide a potentially life-saving function in any form of large-scale emergency. The DVS is a peer-to-peer voice-based service which has no text, picture or video capabilities to prevent overload and enables end-users to deposit voice messages using a special application designed for smartphones, and retrieve messages either through the application or via the Internet. Comverse is working closely with customers in Japan to integrate DVS into the standard delivery engines in a way that will support any type of handset and network (IP or mobile). We are offering an advanced set of services to improve the availability of the service during disaster times, and enrich the service by enabling voice which may be the only way for a certain individuals to communicate if they are unable to use a text service for any reason. DVS also enables messages to be copied to a public Message Board, allowing family, friends and colleagues to be updated, rather than texting to a single contact, as today.

The Convergence Revolution – the Ultimate Smart Solution

A key contribution of Comverse to the communications and connectivity landscape is our expertise in the development of convergence solutions which enable Communications Service Providers to migrate multiple communications services into a single network and offer end-users a more efficient, integrated, compatible and lower-cost service, with many different benefits. Specifically this involves convergence of previously distinct services such as prepaid and postpaid voice, messaging and mobile Internet in tailored bundles with converged billing.

"Users take the wonders of their exciting and still-evolving service-convergent mobile lifestyles for granted, yet convergence is not something that happens simply. Just as the achievements of an Olympic athlete occur only as a result of intensive preparation, the compelling advanced converged experience that customers want today requires the appropriate purpose-built framework. Communications Service Providers who are limping along with underperforming legacy systems consisting of disparate data silos are facing high operating costs and are not able to effectively support nor monetize this new converged, data-centric, customer experience. The ability to do so will require a move towards standards-focused, low-touch and highly adaptable, end-to-end solutions that bridge the network and IT, with an ability to support and effectively monetize any service or business model, new and emerging. Communications Service Providers must deliver individualized service through any touch point, innovative pricing and promotions across converged services and bundled offerings, instant problem resolution, account transparency and control, and achieve revenues and profits through better network management – all while lowering costs." **Alice Bartram, AVP Marketing, Comverse BSS**

Our technology enables Communications Service Providers to take their platforms forward by gradually moving from old technologies (telephony) to new ones (IP), while enabling smooth communications between the old and the new. Comverse installs new products on top of old ones, without replacing the whole system, but providing incremental improvements, saving customers significant investment in large scale preparation and enabling more rapid market presences and expansion.

Convergence enables Communications Service Providers to integrate technologies in order to optimize loading on broadband networks for best energy-efficiency. At the same time, convergence enables end-users to utilize broadband-based technologies in a more efficient manner, with choices that best fit their needs and result in less waste and burden on broadband infrastructures. This means that, overall, not only do converged solutions provide greater choice, lower cost and more extensive connectivity options for end-users, they also decrease the environmental impact of communications services, making convergence the ultimate in smarter business delivering smarter impacts.

In June 2012, the prominent telecommunications market research firm Infonetics Research named Comverse as the global leader in the convergent charging segment. This #1 ranking reflects the migration of existing customers to convergence, as well as new projects in several regions. The Comverse ONE convergence solution is being leveraged around the world to meet the diverse needs of a broad range of Communications Service Providers, from

supporting full business transformation to entry into new businesses, such as MVNO/MVNE, M2M, cloud-based services and beyond. For more information, see www.infonetics.com

MVNO: Mobile Virtual Network Operator (MVNO) is a mobile operator that does not own its own wireless network infrastructure. Instead, MVNO's have business arrangements with traditional mobile operators to buy minutes of use (MOU) for sale to their own customers.

MVNE: Mobile Virtual Network Enabler (MVNE) is a company that provides services to Mobile Virtual Network Operators to enable provision of mobile network services.

M2M: Machine-to-machine (M2M) refers to technologies that enable automated wired or wireless communication between mechanical or electronic devices. M2M allows networked machines to exchange information and perform actions without the manual assistance of humans.

Cloud-based services: The use of computing resources (hardware and software) that are delivered as a service over a network (typically the Internet), eliminating the need to own local servers.

New Convergence Offerings in the Polish Market

PLAY, Poland's fourth mobile operator, entered the market in 2007. PLAY is branded as a young, innovative company that is customer-centered and cost effective. PLAY was looking for assistance in expanding their offering to include management of billing, customer care and marketing while providing customers with a rich, multi-media experience.

PLAY selected Comverse's *Best of Suites* platform which enables a fast and effective start while accelerating continued market success. This platform included Comverse Converged Billing Solution and a Comverse Value-Added Services for Voicemail, Videomail, SMS, MMS and Internet offerings, providing all customers with flexibility and access to multiple service tariffs and plans combining all forms of content. The Comverse converged solution also offered PLAY increased market agility with faster time-to-market and a single multi-product catalogue to minimize complexity, as well as effective management of financial exposure in the monetization of services. By December 2011, PLAY had over seven million customers, representing 13% market share.

The particular challenge of this project was the fast timeframe prescribed in order to develop a fully operational BSS and VAS platform from the ground up. Success was demonstrated not only in increased customer base and market share, but also in higher ARPU (average revenues per user) due to subscribers taking advantage of media services and community features such as blogs, video and photo options. Overall, this smart, converged solution enabled PLAY to expand its business in both a cost-effective and environmentally optimal way.

For more information about PLAY Mobile, see: <http://www.play.pl/pl>

A Top Priority – Customer Satisfaction

Comverse strives to provide flawless customer service and ensure that customer needs are met in a way which enables them to compete effectively in dynamic and rapidly changing market conditions. Comverse believes that the cornerstone of customer satisfaction and the key to its commitment to deliver added value to customers is uninterrupted service availability. Thus, Comverse is committed 24 hours a day, 365 days a year, to helping its customers meet the challenge of total availability through its Global Services BU.

In order to understand and ensure customer satisfaction, we perform two kinds of Customer Feedback Surveys:

- **Ongoing Survey:** post-service surveys conducted online or by phone, to gain real-time insight from customers.
- **Annual Survey:** includes all active customers and all areas of service, conducted online and in some cases, in meetings.

Results from these surveys help managers define opportunities to improve our service.

In 2011, we conducted over 830 Ongoing Surveys, gaining responses from over 90 customers. In our 2011 Annual Survey, over 600 customers responded, confirming that we achieve a strong level of customer satisfaction and loyalty, while highlighting opportunities for improvement in the areas of product quality, customer support, online support and administration efficiency. We continue to work to improve our service and customer satisfaction.

A Smarter Way of Life – our Approach to Quality

Comverse is focused on total quality performance as a core activity for successful long-term customer relationships. We develop and maintain organizational focus on quality, performance excellence, and customer satisfaction.

Guided by a globally accountable Quality Department, Quality Managers at Comverse are embedded within each business unit and support all the quality aspects of products and services from development stage to implementation. The Quality Department is also responsible for educating all employees about the importance of quality in all processes.

Quality Management System: Comverse operates in accordance with a defined Quality Management System (QMS) which encompasses: “Marketing, design, development, production, delivery, installation, and service of solutions for telecommunications providers, including hardware and software developed by our product divisions.” The purpose of the QMS is to ensure that we consistently provide products that meet our customers' needs as well as applicable regulatory requirements. Our aim is to enhance customer satisfaction through the effective application of the system, including processes for continuous improvement.

The QMS includes several components:

- **Quality Management System (QMS)**, which is compliant with ISO 9001:2008, ensures that customer expectations and commitments about products and services are consistently met and exceeded, and company goals are achieved.
- **Information Security Management System (InfoSec MS)**, which is compliant with ISO 27001:2005, protects information from a wide range of threats to ensure business continuity, minimize business damage, and maximize return on investment.
- **Environmental Management System (EMS)**, which is compliant with ISO 14001:2004, ensures that the company continually minimizes its effect on the environment and that environmental goals are achieved.
- **Occupational Health and Safety Management System (OHSMS)**, which is compliant with OHSAS 18001:1999, ensures safeguarding of health and safety of employees, customers, and the public.

A comprehensive Quality Manual describes these quality subsystems and their compliance with the relevant international standard requirements.

Cost of Quality Program: As part of an initiative to reduce operational costs and improve quality, we initiated our Cost of Quality Program in 2011. The program was led by the Global Quality Team, using the VAS Division as a first area of focus, mapping all quality aspects of the entire VAS global operations in order to identify opportunities to improve quality.

Following the initial study, results and conclusions relating to the cost of quality were identified, and several changes were implemented as a result, including:

- Improved decision-gateway mechanism, including higher management approval requirements.
- Enhanced handover between R&D and Delivery, to improve quality, time, and cost.
- Improved team communication, with several units reporting directly to the Product Manager.

Industry Recognition for Service Excellence



- **Comverse was recognized as a Top Tier BSS vendor and seen as Visionary, for both offering and roadmap in Gartner's 2011 IRCM Magic Quadrant.** Gartner is a leading information technology research and advisory company.



www.frost.com

- **In 2011, Comverse was the recipient of Product Line Strategy Award based on Comverse's successful product line strategy in the global CSP billing market.** Frost & Sullivan is a global growth consulting company.



www.cmai.asia

- **Comverse Wins Top Honors as Largest BSS Vendor in India at National Telecom Awards 2012.** The Association of India Communication Multimedia and Infrastructure (CMAI) is the premier organization promoting the Indian IT and telecom sector. The CMAI National Telecom Awards honor outstanding contributions in the fields of communication, ICT, multimedia, and infrastructure.



www.itmag.com

- **Comverse BSS/OSS Wins INTERNET TELEPHONY Excellence Award for the third consecutive year.** Internet Telephony Magazine provides unbiased views of the complicated converged communications space.



Principle 1

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

Principle 2

Businesses should make sure they are not complicit in human rights abuses.

Comverse commits to conducting its business in a way that is respectful of human rights. We are guided by the United Nations Universal Declaration of Human Rights, whose principles are embedded in our global Code of Conduct and include guidance with regard to labor relations, employment practices, relationships with suppliers, and business conduct. We aim to engage with the communities in the areas in which we operate, targeting to support them in advancing their quality of life and ensuring respect for their rights.

Human Rights and Labor Policy

Our Human Rights and Labor Policy refers to our conduct within our operations and to our responsibility for protecting human rights throughout our supply chain. The policy covers four main areas:

Our People: Our first priority is the health and safety of our people no matter where in the world they work. We apply employee health, safety, and emergency preparedness standards that meet or exceed regulatory requirements.

Our Customers: Comverse is mindful of doing business with customers who are also respectful of human rights. We have high standards for how we conduct our business to ensure interactions with all customers are based on ethics and integrity.

Our Supply Chain and Distribution Channels: The productivity of our business model is increasingly dependent on working with external partners and suppliers. As globalization increases, our ability to compete more effectively in the marketplace adds a heightened responsibility to ensure that third parties act on behalf of Comverse in a manner consistent with our human rights ideals, respect for the environment and ethical business practices.

Our Communities: Corporate citizenship and human rights extend into the communities where Comverse people work and live and where our brand is represented. We respect laws, labor practices, and customers in the countries in which we operate and ensure alignment with our high standards, policies and Code of Conduct. We strive to be a positive influence in communities, demonstrating that respect for human rights fosters successful businesses and successful people.

We ensure our compliance with this policy through periodic operation-wide risk management reviews, internal audits and supplier assessments.

For our full Human Rights and Labor policy, see: www.comverse.com/corporate_responsibility

Code of Business Conduct Expectations for Suppliers and Other Partners

In order to help ensure that we are not complicit in human rights abuses throughout our supply chain, in 2011, we created a "Code of Business Conduct - Expectations for Suppliers and Other Partners" in which we outline our expectations for ethical behavior and legal compliance of all those with whom we do business. The Expectations specifically refer to legal compliance and decency standards with regard to working conditions, working environment and workplace conduct.

The Code references Comverse's general Code of Conduct and other leading standards as follows:

- Comverse Code of Business Conduct (www.comverse.com/corporate_responsibility)
- Global e-Sustainability Initiative (www.gesi.org)
- International Labor Standards (www.ilo.org)
- United Nations Global Compact Principles (www.unglobalcompact.org)

For our full Code of Business Conduct Expectations for Suppliers and Other Third Party Business Partners, see: www.comverse.com/supply_chain_responsibility

Safety Standards at Suppliers: We also demand that our suppliers demonstrate compliance with safety standards and have included a new contract clause requiring suppliers to maintain an EH&S management system. This clause is included in all new supplier contracts. In 2011, we commenced a program of audits to ensure implementation of EH&S standards at our suppliers. One major supplier in Israel was audited in 2011, and improvement actions were identified. Further on-site audits of more suppliers are planned.

Conflict Minerals – a Challenge for Human Rights: Information technology hardware makes substantial use of the 3 T's - tin ore (cassiterite), tantalite (coltan), tungsten (a source derived from wolframite), as well as gold in the manufacture of a range of electronic components. A major source of these minerals is the Republic of Congo, where trade in these minerals is known to fund armed groups in Eastern Congo who commit atrocities against civilians. Furthermore, these minerals are mined by underpaid adults and children, working in sub-standard conditions without due attention to hygiene, health and safety.

For Comverse, the issue of conflict minerals is highly relevant as the 3 T's are used in our production processes. We are committed to source conflict-free minerals and require our suppliers to present documentation certifying that minerals are from a conflict-free source. Comverse will not engage with suppliers who cannot provide such certification.

Supply Chain Data Transparency

Comverse subscribes to E-TASC (Electronic Tool for Accountable Supply Chains) – a web-based electronic tracking system for environment, labor, health, safety and ethics-related practices – in response to customer requirements. The system requires quarterly input of all relevant data, and it collates scores to form a scorecard which identifies high to low risk issues. The E-TASC questionnaire covers the following elements:

- **Corporate-level Social and Environmental Responsibility**

- Basic Company Information
- Labor Management and Ethical Conduct
- Health, Safety and Environmental Management

- **Facility-level Social and Environmental Responsibility**

- Basic Facility Information
- Facility Labor Management and Ethical Conduct
- Facility Health, Safety and Environmental Management

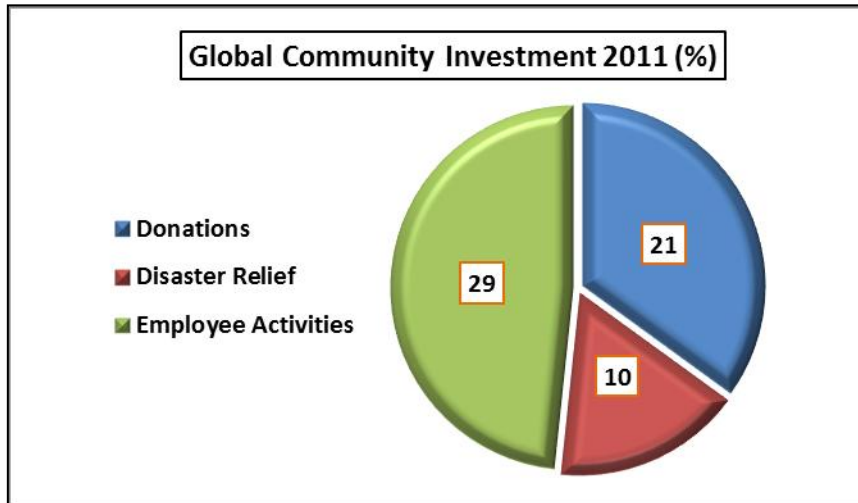
Comverse's average score across all categories demonstrates low risk, with an overall average result of **88.5%** for 2011. The breakdown by topic of these scores is as follows:

Ethics	83.6%
Health and Safety	95.1%
Labor	87.6%
Environment	85.1%

In 2010, we launched an Ethics Awareness campaign, via a monthly random survey of employees worldwide, to help increase focus on ethical behavior. Additional training in the areas of anti-bribery and data privacy has also been delivered to specific target audiences. We continue to focus on Environment, Health and Safety via monitoring activities and a new training course being deployed to all employees.

Engaging in our Communities to Advance Human Rights

We believe that our involvement in local communities creates benefits for our employees, our business and a more equitable society in the communities in which we operate. Around the world, Comverse country offices make donations and advance locally-relevant community activities with employee volunteers, for example, organizing fundraising events and participating in different activities to advance social causes and offer disaster relief.



Israel:

"Once and For All". In this program, volunteering opportunities are offered to employees, and collecting and packaging food for the food insecure, gleaning unharvested fruits and vegetables for distribution to non-profits and renovating community buildings and other structures. A selection of our Community Partners in Israel:



www.ruachtova.org.il



www.latet.org.il



www.leket.org.il



www.kkl.org.il

Renanim Boarding School: Renanim is a boarding school for children with extreme emotional and psychiatric problems who are unable to attend regular schools and need extra care that their families are not always able to provide. The school is a home for children and youth ages 6-18 and strives to provide them with all of their educational, psychological and emotional

needs through a unique program and dedicated staff of psychiatrists, social workers, teachers and volunteers. Comverse's partnership with the Renanim Boarding School started in 2009, with a renovation project in which Comverse employees volunteered to renovate buildings on the Renanim campus. In 2011, 150 volunteers from Comverse Operations department embarked on another massive renovation project benefitting both the children and staff. The project included painting and renovating two sleeping quarters, as well as gardening work. Every few months, the Comverse team returns to Renanim for more renovations and maintenance work. In early 2012, about 170 volunteers renovated the youth club and the library.

The older kids at Renanim participate in the renovation efforts, working side by side with Comverse volunteers. During the renovation projects, some of the volunteers organized arts and crafts activities for the younger children, in which they made signs, drapes and other items to add a little color and fun to the renovated premises.

Movement Room at Renanim



After



Before



Comverse employees hard at work



Arts and Crafts Workshop

"The experience of volunteering with the children felt more like receiving than giving... the children's joy and gratitude were all that we had hoped for."
Bat Sheva Dinazi, Comverse Volunteer

APAC Region:

Running for Education: In 2011, Comverse India participated, for the third consecutive year, in the Airtel Delhi Half Marathon. The event is a famous race attracting professional and amateur runners from all over the world. It also includes a 'Corporate Challenge', in which employees of different companies can participate and donate money to a cause. Thirty Comverse employees participated in one of the races in the event – the Great Delhi Run, a six kilometer race. The money from the race was donated to "Education for the Girl Child", which promotes education for girls in developing countries.



Walk A Payung in Malaysia: This is a walkathon organized by the Persatuan SLE Malaysia (PSLEM) organization, a non-profit organization providing social and psychological support for people suffering from lupus. Participants in the walkathon walk with open umbrellas to symbolize the fact that lupus patients must avoid the sun. Comverse Malaysia employees participated in the three kilometer walkathon and raised \$800 for PSLEM.



North America:

Supporting Easter Seals in North America: Comverse's office in Wakefield, Massachusetts has been supporting the local Easter Seals organization for some years through hosting, sponsoring, and participating in an annual fundraising Walk with Me event. Easter Seals supports people with disabilities, helping them to maintain full and independent way of life within their communities, offering employment counseling, job training, rehabilitation services and more.

The 2012 Easter Seals Walk took place with the participation of over 350 people from the community, and teams from other corporate sponsors. 18 Comverse employees and their families volunteered for the event and participated in the walk itself, or helped providing refreshments, activities for children, music and other activities. In addition to organizing and sponsoring the event, Comverse donated \$2,500 to Easter Seals, and Comverse employees raised additional \$2,115. The event raised a total \$40,000 for Easter Seals.



For more information about the Easter Seals: www.eastersealsma.org

"What struck me the most about the event was that some of the people that benefit from the Easter Seals efforts walked with us. For me, it became more personal and not just a walk to help some strangers we have never met. I will be there for next year's walk." **Dennis Graham, Comverse volunteer**

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5

Businesses should uphold the effective abolition of child labor.

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

The dedication, innovative spirit and loyalty of our employees are our main strengths in our competitive market. We strive to provide a nurturing environment for our employees worldwide, and ensure they are content, challenged and continue to grow both personally and professionally in a workplace which is healthy, safe, secure and equitable.

Building Trust and Engagement through Communication

Following several years of transformation, restructure and uncertainty, Comverse leadership has made a targeted effort to revive trust and ensure open and honest communication as the basis for relationships in the new Comverse.

A new communications infrastructure encourages open dialogue between employees and management in a culture which challenges all to take personal responsibility and deliver their best results. Comprehensive communications channels were established, supported by a Global Internal Communications Manager. In addition to corporate messaging and interaction on a company-wide basis, each Business Unit maintains its own specific communications program. The communications program includes update events with senior management, including interactive quarterly business updates and an open Employee Forum hosted by our COO, in which employees can learn, share and ask questions.

The effectiveness of such an intensive focus on communications has already started to show results which indicate that trust and engagement is on the increase. In our annual Employee Engagement Survey, we recorded an improvement in overall engagement of 12.7% from 2011 to 2012. We believe this is positive evidence of our culture transformation over the past two years, and expect results will continue to improve.

Employee Contact Centers: At Comverse, in order to ensure access to information and services for employees, we maintain regional Contact Centers, available for all employees, enabling them to obtain information or raise concerns on any matter relating to Human Resources policies or practices including salaries, benefits, work hours, entitlements and more. In 2011, the Contact Center handled over 10,000 employee requests.

A Responsible and Caring Workplace

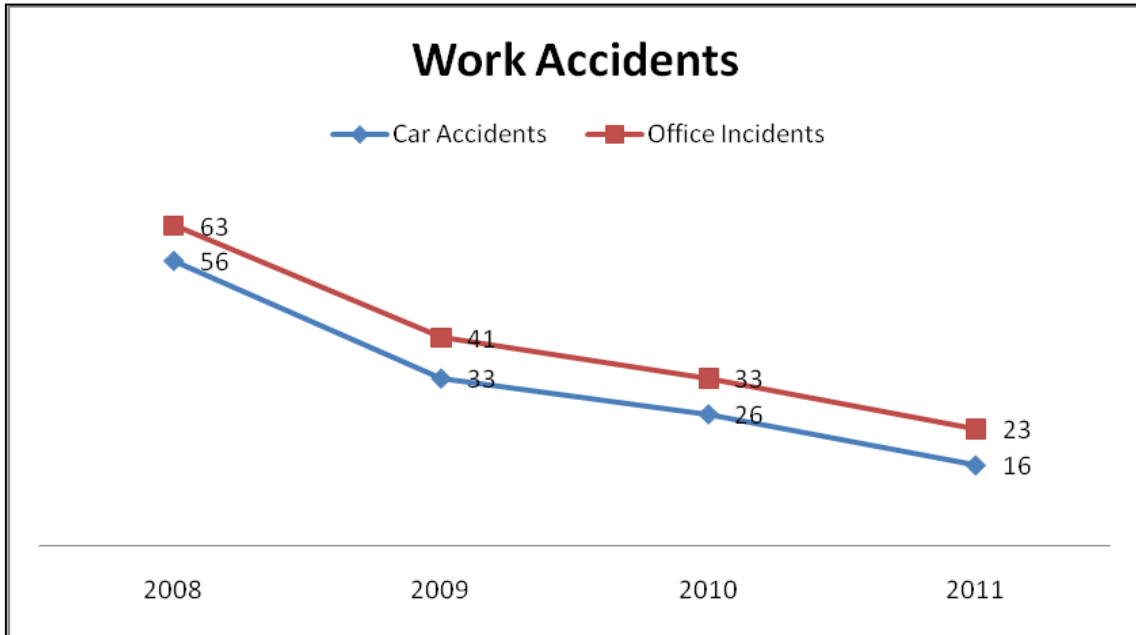
Performance Evaluations: We review employee performance in a structured way twice a year. The process is a two-way process in which employees also evaluate their managers. Performance evaluations are used to assess performance, development needs and set targets for the coming year. In 2011, 92% of employees participated in this process worldwide.

Employee Training and Development: Comverse has diverse programs for employee development and training, covering all groups and functions in the company and tailored

specifically to Comverse's unique characteristics as a global software company. During 2011, employees participated in over 160 different training events. A special focus is leadership development and Comverse's Global Leadership Program was improved and relaunched in 2011, providing aligned content and language globally, with local adaptation where relevant. As part of this program, two new core courses were launched: 'Management Essentials' for young managers or team leaders, and 'Managing in a Global Environment' for managers with remote employees. Twelve courses were conducted in six locations worldwide in 2011, with participation of 160 managers in over 3,600 hours of training.

Compensations and Benefits: Comverse's Compensation & Benefits policies strive to provide each employee with a fair and competitive total compensation package, adapted locally to each culture while observing local laws and market trends. As part of the compensation package, Comverse distributes annual bonuses to reward employees for their part in the company's success, allocated in an equitable process supervised by a review board comprised of senior managers and approved by the CEO. Additionally, employees enjoy a range of non-salary benefits, for example, subsidized meals, company vehicles, extended health insurance, and subsidized sports activities. Non-salary benefits differ by country of employment depending on local practices.

Employee Health and Safety (EH&S): Comverse works to ensure that employees are safe at all times, both in Comverse locations and when travelling abroad, and we also encourage employees to practice healthy lifestyles. Since 2008, Comverse is certified globally to the international standard OSHAS 18001 for occupational health and safety management systems. EH&S practices include awareness, training and work station evaluation for ergonomic suitability. Accident prevention is a focus of e-learning health and safety training and all accidents or near-misses are thoroughly investigated and corrective actions taken as appropriate. During 2011, there were 39 minor office and car accidents, a 33% reduction versus 2010 and a 300% reduction over a period of four years, confirming our belief that all accidents are preventable and that appropriate employee education yields results.



Employee Security: A main focus of employee security, beyond our regular standards of office security around the world, is employee travel, especially to locations which carry known risks. All travel to underdeveloped or high-risk countries must be formally approved by the Corporate Security Department and employees are fully briefed before each trip. Comverse operates a Global Control Room, manned 24/7 and provides a real-time response to any employee in distress and also engages "International SOS", a global security services company, to help employees in distress while abroad in case of need. An internal security website details all security themes and information employees need to know before traveling, including a security review by country.

Corporate *Security & EHS*

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Environmental Quality
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Security News: Hand Luggage Regulations on Flights

Environmental Quality

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- Environmental Management System
- Goals & Objectives for 2012
- Environmental PPT for Customer
- Car pool site (Hebrew)

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Security Services

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- Corporate Security Policies
- Our Mission
- Corporate Security Team
- Travel Information
- Physical Security
- Question & Answer Services

MOKDAN Procedure
 Airport Security Assistance

Country Assessments

Call Us 24/7
 +972-3-6452888

Upholding Employee Rights

We uphold and respect the rights of our employees to collective bargaining and freedom of association. Our employees are hired on the basis of personal contracts which are reviewed and agreed in advance and accepted by employees of their own free will. We do not engage in, or condone, any form of forced labor or child labor and no persons under legal working age, as defined in each country and by internationally ratified labor conventions, are employed anywhere in Comverse operations globally.

Equality, Diversity and Inclusion in the Comverse Workplace

Comverse is an equal opportunity employer, and aims to attract and retain a diverse workforce, reflecting the communities in which we operate. We place a focus on hiring individuals with the appropriate education, experience and aptitudes, irrespective of nationality, race, gender, sexual orientation and all other dimensions of diversity.

Gender Balance: We continue to strive to achieve a more equitable gender balance in our global business. We welcome women in our recruitment processes and train recruiting managers in gender awareness and equality. Of the 20 highest paid positions at Comverse, 15% are women and of the 15 most senior executives, 20% are women. Women make up 27% of our global workforce.

Region	Men	Women	% Women
Israel	817	429	34
Europe		75	17
Americas	575	192	25
APAC	290	61	17
Total	2,044	757	27

Equality in Compensation: We target our compensation packages to ensure an equitable position relating to gender, and the male:female salary ratio in 2011 was 1.08:0.99, demonstrating that there is reasonable overall balance between compensation packages for men and women. Similarly, discretionary bonuses awarded in 2011 were balanced, with 17.9% of all eligible women receiving a bonus, compared with 16.1% of male employees.

Principle 7

Businesses should support a precautionary approach to environmental challenges.

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9

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

Comverse's Environmental Policy

Comverse is committed to environmental protection and to compliance with all applicable environmental regulations and legislation around the world. We make every effort to minimize our impact on the environment and work to reduce materials, energy and water consumption, reduce waste and increase recycling. We promote environmental responsibility internally by providing an environmental management framework and several awareness and engagement initiatives with employees.

Our global EH&S policy, signed by Charles Burdick, Comverse Technology, Inc. Chairman and former Chief Executive Officer of Comverse, Inc., was updated in March 2012 and includes our position on environmental protection.



March, 2012

Comverse Environmental, Health and Safety (EHS) Policy

Comverse is committed to the prevention of illness and injury, as well as to the protection of the environment.

Through the implementation of effective environmental, health and safety (EHS) management systems, we foster a culture of health, safety and environmental responsibility among our employees, contracted employees working in our facilities, vendors, customers, and the public.

Comverse is fully committed to comply with all applicable regulations and legislation and with our own EHS standards in our operations and products wherever we operate.

Comverse management and employees should conduct their activities to ensure a safe and healthy workplace and to minimize adverse impact on the environment.

Comverse supports and promotes a healthy and responsible lifestyle. We provide education through training and awareness activities, work procedures and methods, and we incorporate EHS principles into our daily work by setting goals and performance metrics in these fields.

We strive to integrate environmental, health and safety considerations into our business decisions, planning and actions through innovative processes and continuous improvement, with the goal of reducing health and safety hazards and environmental impact by following ISO and other recognized standards.

We continuously improve our EHS standards through the use of comprehensive and effective processes to reduce risks that may exist in the work processes and conditions. We:

- Investigate, understand and mitigate potential health and safety risks
- Recycle and reuse materials
- Handle and dispose of unavoidable waste responsibly
- Conserve energy and other material resources

Comverse Corporate Security & EHS Department will continue to lead implementation of EHS measures worldwide according to the company's and our customers' highest standards. The company regularly reviews, measures and verifies this Policy for applicable improvement through internal and external audits, communicates it to all employees, and makes it available to the public and all interested parties.

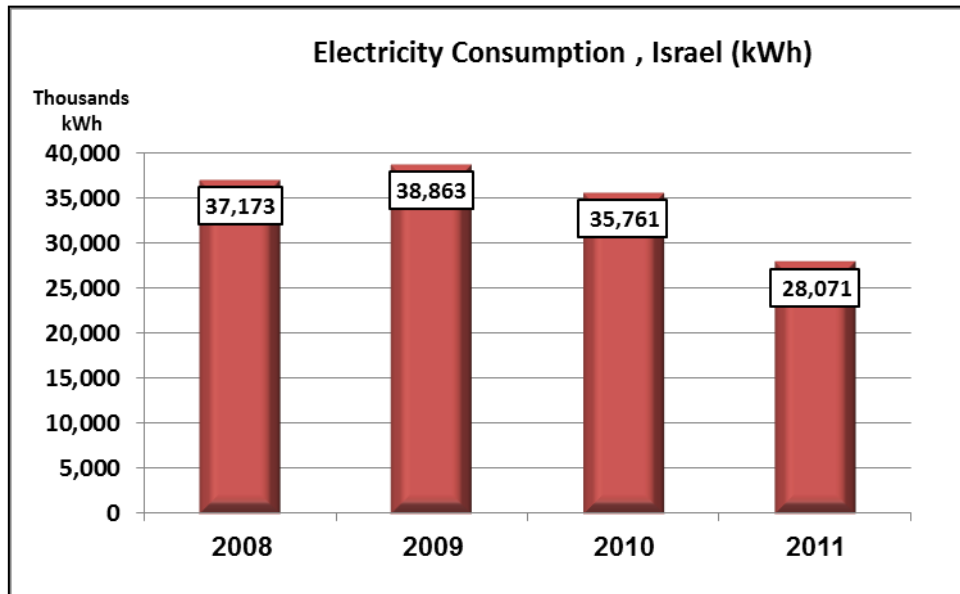


Charles Burdick
Chairman and Chief Executive Officer



Energy Consumption

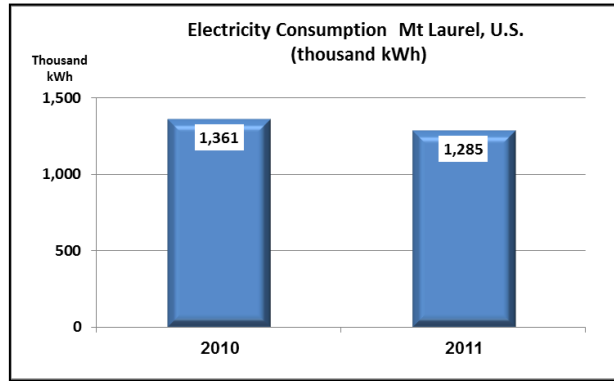
Our energy consumption is primarily electricity which is purchased from local national grid providers for powering our office operations, and fuel for travel and logistics. As a result of our consistent efforts to improve our energy footprint, we have reduced our electricity consumption by 21.5% in 2011, and by 24% since 2008.



Activities which have contributed to our improved energy performance include:

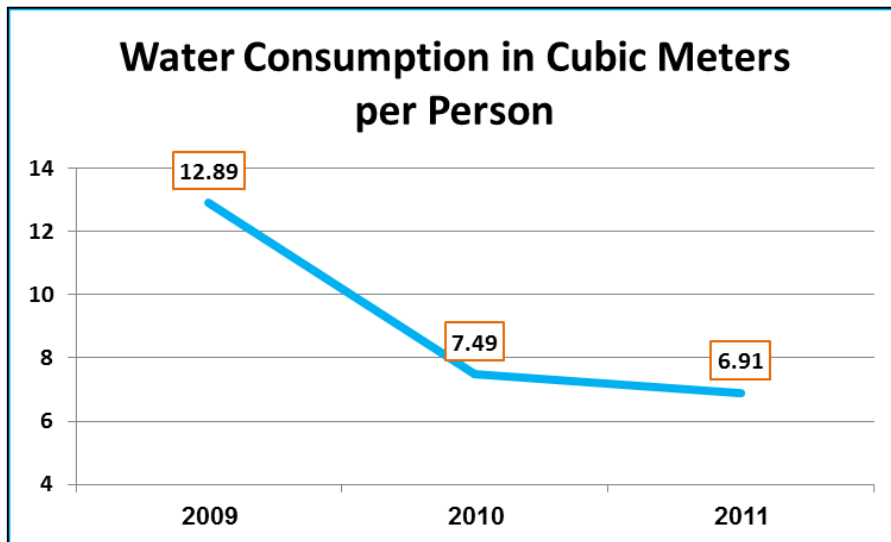
- Setting office lighting, air conditioning and electronic equipment to switch off automatically when idle, or at pre-set times.
- Adding motion-sensor lighting in parking areas outside office hours.
- Increasing server virtualization that reduces server energy requirements.
- Replacing equipment with more energy-efficient alternatives.

Our office center at Mt Laurel in the U.S., in which we have 270 employees, is one of the largest Comverse centers outside of Israel. This location is an example of a successful local effort to reduce electricity consumption, including installing automatic shutoff systems for lighting, air conditioning and other electrical appliances. These efforts contributed to a reduction of 5.5% between 2010 and 2011.

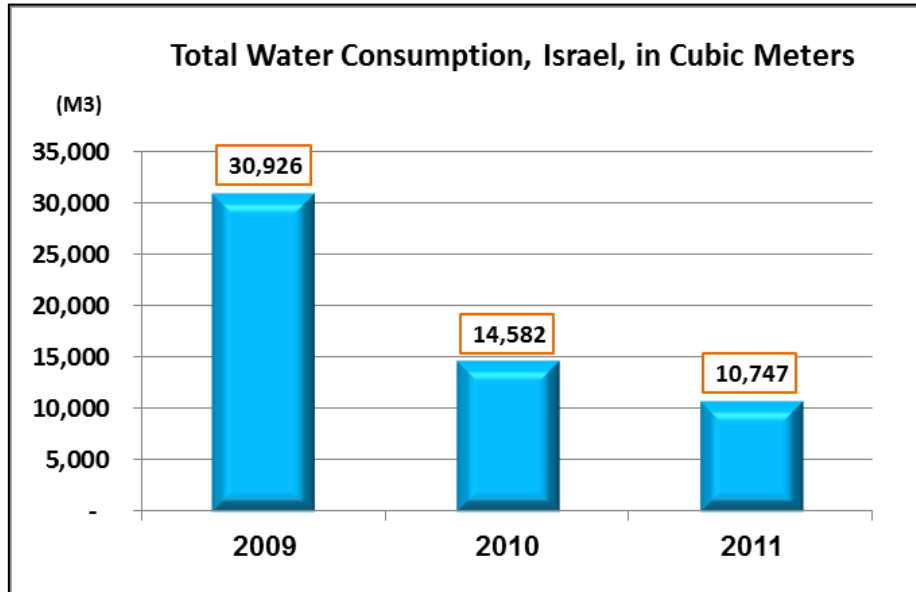


Water Consumption

We have been successful in reducing our water footprint per person by almost 8% in 2011 and by 46% since 2009, on a per person basis. We reduced our water footprint on an absolute basis by 26% in 2011 versus 2010.



Water consumption reductions were achieved by applying fitments to all water taps to reduce water flows and installing half-flush toilets in rest-rooms etc.

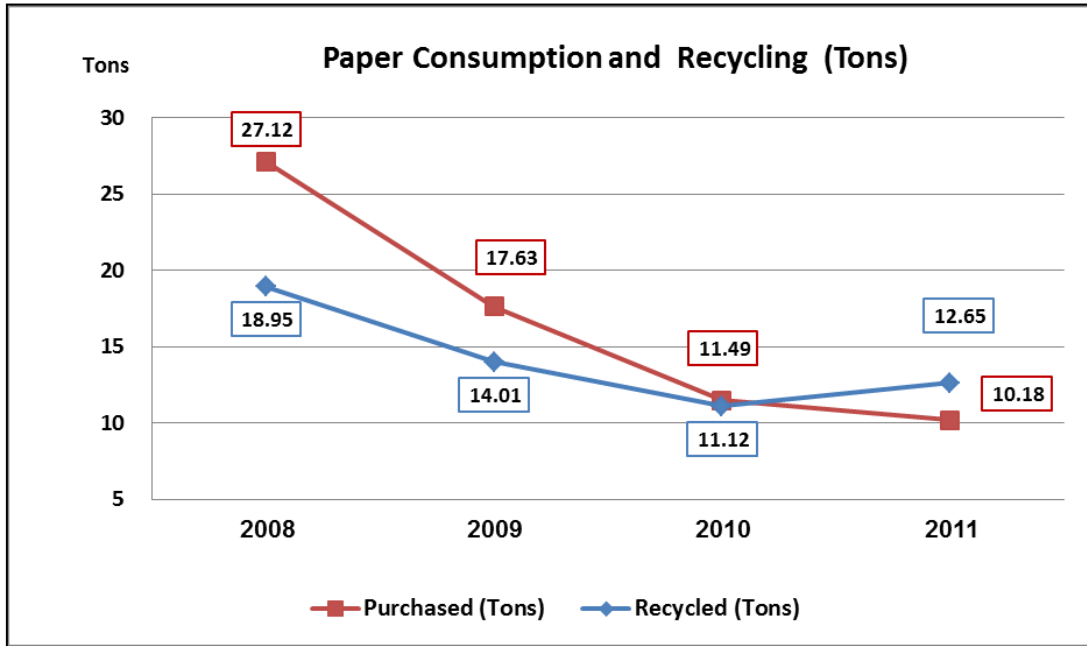


Waste Management

The waste we generate is from our office activities and our production facilities. This tends to be mixed electronics waste, plus some paper waste. We continue to strive to improve our waste recycling levels. We recycled of 1.5 tons of waste in 2011. This was comprised mainly of metals, copper and cables and electronic boards, which were routed to recycling operations and excludes paper recycling.

Paper Consumption

We continue to reduce the volumes of paper we purchase each year, while striving to increase the volume of paper recycled. In 2011, for the first time, we achieved a level of recycling which was higher than the volume of paper purchased, mainly due to use of old stocks from 2011.



Activities which contributed to our improved paper performance include:

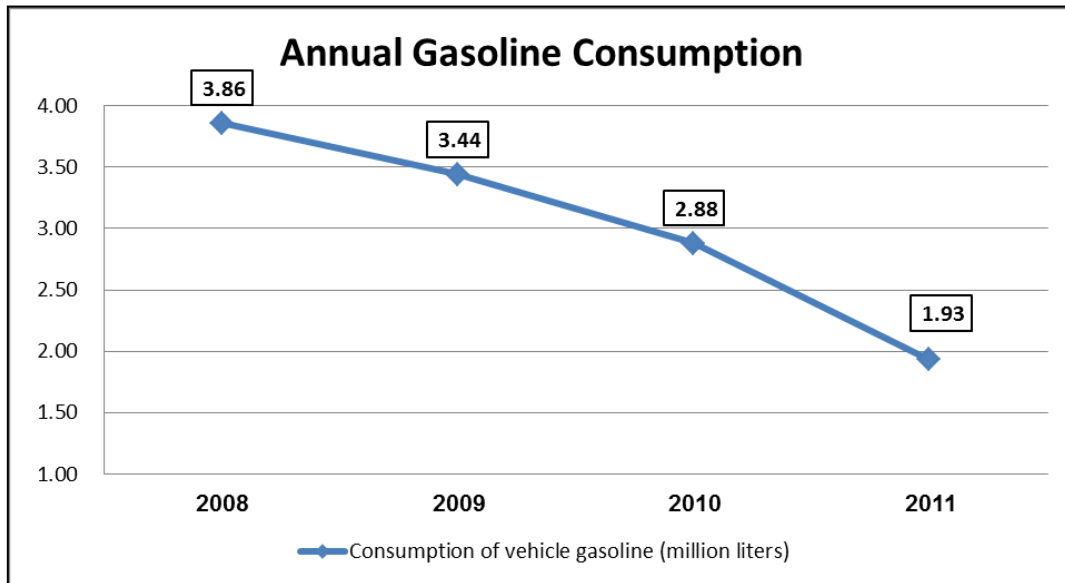
- Reduced levels of printing and conversion to double-sided printing for all requirements.
- High visibility in our offices, including signs next to trash cans and placement of recycling bins in office locations.

Employee Travel

We encourage our employees to use low-carbon transportation alternatives to travel to and from work. Most of our offices around the world are situated within easy reach of public transport and are equipped with showers for those who walk or bike to work. In Israel, we provide a regular shuttle service between the Comverse HQ and three local train stations which is used by around 700 employees.

In 2012, we implemented several additional initiatives that will help reduce the impact of employees' travel in Israel, including providing employees with hybrid cars, as well as other fuel-efficient cars that use less gasoline (17 km per liter compared to 9-10 km per liter on an average car). These cars are usually smaller type cars that suit the needs of most employees, and are lower cost. Also, during 2012 we will offer electric cars, as one of the first companies in Israel to contract with the Better Place electric car and charging station pioneer.

During the past four years, we have been able to reduce our absolute gasoline consumption by 50%.



Our New Green HQ

Comverse plans to move its Israel HQ to a new building at the end of 2014. We have ensured that this new construction will include several environmentally friendly aspects, such as a water recycling system, smart electricity meters, a recycling center and recycling infrastructure, and other features that will save energy and water.

Reducing our Carbon Footprint in our Supply Chain

As part of our service to our customers, we deliver communications cabinets to locations all over the world. We constantly work to develop solutions for more efficient transportation of this equipment.

Communication cabinets are typically around two meters high and weigh close to one ton, and are shipped upright to prevent in-transit damage. This form of shipment creates dead space during transit, given the restrictions of storage space dimensions in airplane holds and trucks. As we transport more than 700 such cabinets every year, the potential for improvement was significant. In seeking a solution, we identified that horizontal shipment would eliminate significant dead space and improve both the cost and environmental efficiency of our transportation. In order to enable horizontal shipment, we developed an innovative method of reinforcing the cabinets so that they would withstand damage in a horizontal position, as well as a suitable method of reverting them to an upright position upon delivery, avoiding any damage. Our unique solution for horizontal transportation enabled double the number of cabinets to be aggregated in one shipment: by improving the engineering of packaging design and reducing the height from 92 cm to 80 cm, six communications cabinets can now be shipped on one pallet, compared to three in a vertical position. This more compact cabinet design also requires less packaging, generating additional environmental benefits.

Another benefit of horizontal shipping is that it enables the utilization of different types of wide-body planes, including passenger planes and not just freight aircraft as previously. This

allows for more shipping alternatives, reduces the need for transit flights and unnecessary in-land transport, and saves about 50% in fuel costs and resulting carbon emissions.

Currently, Comverse is the only company in the world that transports communications cabinets horizontally, and we have been successful in reducing the volume of our shipments by 60%. Comverse's largest customers now use this solution.

Our Environmentally Friendly Technologies

The Role of Broadband in Generating Environmental Benefits

As a technology Company whose core activity is creating innovative solutions, we place great importance on utilizing the advantages of broadband to enhance our service offering and create more efficient options for our customers, so that they can lower their costs and reduce their own environmental impacts.

A broadband network can support higher capacity and traffic volume with reduced equipment requirements. Utilization of this technology has lowers expenses for Communications Service Providers through more efficient power consumption, daily operation and maintenance, providing not only cost benefits but also enabling lower environmental impacts of the services they offer to their customers. Generally, use of broadband networks has a major impact on the way work is done, enabling connectivity while reducing travel needs, printing, transportation and more.

Optimization of Broadband for Greater Energy Efficiency

Maximum network utilization enables transferring more data at a higher rate and convergence enables the use of a single network solution for multiple services. Comverse's convergence solutions enable service providers to offer several services, such as prepaid and postpaid voice, messaging, and mobile Internet in a single network and under one bill – saving on costs while providing end-users with convenient communications solutions, and reducing operational costs for the Communications Service Provider.

Our Environmentally Friendly Solutions

We provide our customers with efficient, smart communications technologies and systems which offer optimum utilization and lower energy consumption, enabling them to manage and reduce their own environmental impacts.

Our solutions include:

- Utilizing virtualization and cloud technologies to reduce the size and amount of servers needed, which helps save energy and reduce floor space. In recent years we were able to reduce the average number of communications cabinets that Communications Service Providers need by about 70% (from 25 to 80)
- On demand reallocation technology which allocates broadband capacity wherever needed, enabling servers to go into "sleep" mode or switch off when not in use.
- Using new hardware providing more capacity per unit with reduced power consumption.

In 2011, our solutions have contributed to the achievement of a 30% reduction in energy consumption in our customer operations relative to 2010, and it is expected that a next generation solution developed during 2012 will bring a further 40% reduction in energy consumption compared to 2011.

Reducing Waste for our Customers

Designing with the environment in mind, we try to ensure that our customers face minimum problems relating to waste at the end-of life of Comverse products or at replacement time. All our components are 100% recyclable so our customers are never left with a waste problem. Furthermore, we commit to taking back Comverse products which are replaced with newer technologies, and ensure they are recycled in an environmentally acceptable manner.



Principle 10

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

Comverse is committed to conduct its business fairly, with integrity and in accordance with local and international laws and regulations. We are committed to provide our employees with a work environment in which business is conducted in compliance with laws and ethical standards.

Ethical Conduct at Comverse

Global Code of Conduct: Our framework for ensuring a culture and practice of ethical conduct at Comverse includes a Global Code of Conduct which applies to all employees, officers and directors of the company, and all wholly-owned subsidiaries and controlled entities.

The Code of Conduct was thoroughly reviewed and last updated in 2008. All employees are required to complete an online training program which includes a test upon conclusion of the training which must be completed successfully and signifies acknowledgment and understanding of the Code.

As required, additional training is provided to reinforce understanding and awareness, for example, on matters relating to anti-bribery, data privacy, environmental health and safety and information security.

Ethics Advice Line: Comverse uses an independent service, Ethics-Point, to provide a confidential toll-free 'Ethics Advice Line' which enables all employees to report any suspected ethics violation with anonymity and without fear of reprisal. Employees may also report concerns to the Comverse Compliance Office. For more about the Ethics Advice Line, see: http://www.comverse.com/corporate_responsibility

In 2011, eleven reports were made to the Ethics Advice Line, of which five were substantiated. These incidents were either dealt with by corrective action (training), or by disciplinary action.

Our Global Code of Conduct can be downloaded from our corporate website: www.comverse.com/corporate_responsibility

Compliance at Comverse

Comverse is committed to work in compliance with all legislation and regulations in all the countries in which we do business, without exception. We invest in educating our employees about proper business conduct, and ensuring the existence of appropriate management frameworks and mechanisms to ensure the highest possible compliance performance.

Directed by our global Compliance Officer, internal audits are performed every year in all our operations, reviewing compliance with financial reporting and record keeping. Our audits are a part of our comprehensive Risk Management Process which includes interviews with the CEO, the Global Executive Team, and a range of managers. Audit priorities, including both operational and organizational topics, are identified and an annual audit plan is formed after this process is complete. In 2011, 15 areas of risk were identified and safeguards subsequently put in place.

Anti-Corruption at Comverse

The basic tenets of Comverse's Anti-Corruption Policy are

- Comverse does not make any payments or provide anything of value to government officials, private or public company executives or to anyone to unfairly obtain or retain business or to gain an inappropriate advantage ("bribes") or take any actions that create a sense of obligation by the recipient
- Comverse does not make bribes indirectly through agents or other third parties
- Comverse avoids the appearance of making bribes. We do not provide lavish meals, excessive entertainment or material gift-giving. Furthermore, some governments, government entities or commercial companies may have more restrictive policies in place that prohibit providing any gift, entertainment or meal, regardless of value
- Comverse maintains detailed and accurate books, records and internal controls. The Company does not have any "off books" arrangements and does not falsify its books and records for any purpose

We ensure that all directors, officers and employees are aware of what their agents and other third party representatives (including vendors, suppliers and subcontractors etc.) are doing on our behalf and we make best efforts to ensure that such entities do not pay bribes or engage in other corrupt or illegal activities. Willful ignorance is no excuse and all directors, officers and employees are expected to follow both the spirit and letter of this policy

Anti-Corruption training is conducted for all Comverse managers as part of our training on ethical conduct.

For Comverse's full Anti-Corruption Policy, see: www.comverse.com/corporate_responsibility

Your Feedback

We thank you for taking an interest in our Communication on Progress and invite your queries, feedback and suggestions.



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This Communication on Progress was prepared with the support of an external specialist in Corporate Social Responsibility who confirms that all contents are an honest and accurate representation of the way in which Comverse, Inc. adheres to UNGC principles.

Elaine Cohen, CEO, Beyond Business Ltd, www.b-yond.biz, November 2012

