



GLOBAL COMPACT COMMUNICATION ON PROGRESS

Ness Technologies Ltd

August 2009

Ness Technologies Ltd

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Ness Technologies is a participant in the United Nations Global Compact since July 2009. This is Ness's **first** Communication on Progress and covers all Ness global operations in 18 countries.

All Ness Technologies operations around the world are committed to the Global Compact principles, and are working in many ways to make continuous further progress. In this report, however, only a selection of specific examples of best practice activity in different countries is provided, to illustrate the Ness activities in advancement of the UNGC principles.

Ness Business Profile





Ness Technologies is a leading global provider of Information Technology (IT) and business services and solutions with specialized expertise in software product engineering; system integration, application development and consulting; and software distribution. Ness delivers its portfolio of services and solutions using a global delivery model combining offshore, near-shore and local teams.

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

Ness maintains offices in 18 countries around the world and a workforce of over 7,000 experienced information technology and consulting professionals. Ness combines its knowledge of its key vertical markets and its clients' businesses with its technical expertise to deliver tailored solutions to its clients, many of whom are subject to rigorous regulatory requirements.

Ness Technologies maintains strategic alliances and partnerships with many 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 each company subsequently acquired have been successfully integrated into the Ness corporate structure, and the acquired capabilities, know-how and staff have been assigned to various business groups. 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 are based in the Tel Aviv office in Israel and in India, Europe and the United States. Ness maintains a global presence with offices and delivery facilities in Canada, Czech Republic, Germany, Hungary, India, Italy, Malaysia, Netherlands, Portugal, Romania, Singapore, Slovakia, Spain, Switzerland, Thailand, UK and the USA.

Ness shares are traded on the Global Nasdaq selected Shares Market (Stock symbol "NSTC"), and as such complies with all SEC regulations, SOX etc.

Ness annual revenues in 2008 were \$664.8 million.



Ness Leadership

The Chairman of the Ness Board is Aharon Fogel. He has served as a member of the Board and its chairman since 1999. Since December 2000, he has also served as the Chairman of the Board of Migdal Insurance Company Ltd., Israel's largest insurance company. Mr. Fogel has held a number of senior positions, including general partner of Jerusalem Venture Partners, an Israeli venture capital fund, Director General of the Israel Ministry of Finance, Chairman of Leumi & Co. Investment Bank, Chairman of the Hadassah Medical Center, and Director of the Economic & Control Division of Clal Israel Ltd..

The President and CEO of Ness Technologies is Mr Sachi Gerlitz. He has served as President and CEO since March 2007, and as a member of the Board of Directors since February 2007. Prior to joining Ness, Mr. Gerlitz served as acting chairman of Mobixel Networks and Chairman of the Board of the Israel Mobile Association. From 2001 to 2006, Mr. Gerlitz was a partner at Apax Partners, and served on the boards of a number of public and private companies, such as Bezeq, Starhome BV, Crescendo Networks and Bitband Technologies. Prior to joining Apax Partners, Mr. Gerlitz served for 10 years at Comverse Technologies and held various roles at Telrad Telecommunication Industries, Hadassah University Hospital, and the Israeli Defense Force.

Ness employees

Ness directly employs 7,800 people around the world, in the following locations as at June 2009 :

Location	Number of direct employees
India	2,765
Israel	2,555
Europe	1,580
Asia Pacific	385
North America	515
Overall Total	7,800



The Ness Business Vision and Values

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



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. 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 should act to reach our goal, whilst considering the needs and aspirations of others, in order to achieve a WIN-WIN for all. Our WIN-WIN spirit comprises 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. Without consideration of all these elements, Ness believes that WIN-WN cannot be achieved.



Statement of support for the principles of the Global Compact of the United Nations

As the CEO of a global business, I take pride in confirming that we take our responsibilities to all that we interact with, both directly and indirectly, very seriously. We have always maintained an ethical, honest and respectful approach to doing business. In recent years, however, with the growth of awareness of the impacts of global businesses on many different facets of our lives, our societies and our planet, we have realised that the changes that are required to drive equitable and positive business conditions are greater than those which any individual Company, standing alone, can effect. It is with this in mind that we have committed ourselves to joining a world effort, supported by thousands of businesses around the globe, as we would like to contribute our voice and efforts to the collective creation of a positive future, whilst continuing to develop our products and services and achieve sustainable business growth. We are convinced that employees, clients, suppliers, partners and the communities in which we operate will welcome this approach and will support and engage with us as we go forward.

As a first step, we have mapped all our current global operations in 18 countries to understand the detailed ways we are currently upholding and promoting the principles of the Global Compact. The results of this mapping, whilst encouraging, show that there is more that we can do. We are developing a plan of action to address these opportunities, and will report to the Global Compact next year on how we have done. In the meantime, our first Communication on Progress is a snapshot of what is happening in Ness today. We confirm our intention to submit a Communication on Progress every year in accordance with the Global Compact guidelines.

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, and promote them to raise awareness and further commitment by those with whom we interact.

Sincerely
Sachi Gerlitz
CEO and President
August 2009



Herewith the ways in which Ness Technologies currently supports and promotes the Global Compact Principles:

Principle 1	Business should support and respect the protection of internationally proclaimed human rights.
Principle 2	Business should ensure that they are not complicit in human rights abuses.

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, whilst 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 here:

<http://www.ness.com/Company/Documents/HUMANRIGHTSPOLICYSTATEMENT.pdf>

There are several ways in which Ness upholds and promotes human rights:

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

<http://investor.ness.com/phoenix.zhtml?c=179905&p=irol-gov>

In Ness, employees are asked to sign their confirmation to uphold the Code as part of their Employment Contract. All Ness employees worldwide are trained in the content of the Code of Business Conduct and Ethics and the Company maintains a policy of whereby employees confirm their intent to uphold the provisions of this Code by signing a copy as they join the Company. In some countries, additional training is provided.

Ness invites complaints regarding Ness's business conduct and ethical behavior of its employees to Managers in the Company or via two other alternative routes:

- Executive Vice President of Human Resources, Atzmon Lifshitz, at +972-3-766-6803 (phone) +972-3-767-5188 (fax) or atzmon.lifshitz@ness.com
- Chief Legal Officer and Secretary, Ilan Rotem, at +972-3-766-6842 (phone), +972-3-769-3603 (fax) or ilan.rotem@ness.com.



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 efia@abramson-law.co.il with a copy to nesswb@abramson-law.co.il

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.

During the coming years, Ness will be reviewing the Ness Code and its actual assimilation in the business with a view to aligning procedures on a global basis, and ensuring that ethics is ever-present in the minds and hearts of all those that represent Ness in any capacity.

Contributing to empower the communities in which we live and work

Beyond basic protection of human rights, Ness Technologies believes in contributing to the communities in which it operates and provide support to communities and individuals so that they may enjoy their rights to freedom, to work, and to a desirable and fulfilling quality of life. Whilst there is always more we could do, Ness invests significant energy and personal attention, resources and cash to contribute to community development, individual empowerment, and positive partnership relationships.

At present, Ness Technologies operates a local policy with regard to community investment, donations and volunteering. Worldwide, Ness sees the key theme of its community empowerment program in the development of children and youth through education and technology. 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. In Israel, India and Hungary, a broad range of community investment and involvement plans have been established. Here are some examples of our community development activities undertaken in 2008:

NESS ISRAEL

Ness Israel supports the **Atidim** organization. **Atidim** focuses on building a strong Israeli society by maximizing the human potential found in the periphery for the benefit of individuals, society and the economy. **Atidim** cultivates excellence, supports higher education and provides the tools needed for its participants to become active contributing members of Israel society. **Atidim** operates a variety of unique programs and tracks, beginning with programs for youth of high school age , university and employment. The programs aim to open doors, broaden opportunities and increase the chances of success of these young people. The participants in **Atidim** programs reflect the complex fabric of Israeli



society and include: Ethiopian immigrants, Bedouin, Circassians, Druze, Arab and native Israelis. Ness Israel funds scholarships for Atidim students, who gain experience in computers and technology as well as financial reward for working in regional Ness departments. To date, Ness has supported 15 such students from the Atidim program, most of whom have been recruited to Ness as full time employees after completion of their studies.

Ceremony for awarding scholarships to Atidim Students 2008



For more details about **Atidim**, please visit their website:

<http://www.atidim.org/ENG/default.asp>

Ness Israel supports **ORT** high schools. ORT is one of the largest non-governmental education and training organizations in the world with activities in more than 100 countries past and present with current operations in Israel and many countries throughout the world. **ORT** is a non-profit, not-political organization that meets the educational, and manpower training needs of contemporary society with more than 3,000,000 graduates worldwide since its inception. **ORT** was founded in St Petersburg in Tsarist Russia in 1880 to provide employable skills for Russia's impoverished Jewish people. Since that time, the skills taught by **ORT** have evolved in step with technology. **ORT** offers a second chance for children who have been excluded from participating in normative educational frameworks. During the past year, Ness Israel took part in renovating children's computer clubs throughout the country. The main purpose of these clubs is to give children a quiet environment to study. In addition, Ness employees tutor technological courses in which many students take part, occasionally using Ness computer workrooms.



Community group class at Ness Israel



For more details about **Ort**, please visit their website:

<http://www.ort.org/asp/default.asp>

Ness Israel supports children's day-care centers: **Reut** and **Eyal** in the area of Pardes Katz. Ness employees are regular volunteers at day-care clubs provided for children at risk between the ages of 6 and 12. Ness employees visit the clubs, play with the children and help them with their homework, and provide assistance and with special activities on national holidays and other events.

Ness Israel promotes mentoring to assist groups and individuals. Senior Managers at Ness Israel give regularly of their time and experience to mentor CEO's of non-profit organizations in a mentoring program run by the non-profit **Matan**. Division Managers at Ness Israel mentor Ethiopian immigrants as part of a program run by the non-profit Olim Beyahad.

For more details of these organisations, please visit their websites:

Matan: www.matanisrael.org.il

Olim Beyahad: <http://www.olim-beyahad.org.il/eng-index.php?newlang=2>

Overall in 2008, over 240 Ness Israel employees spent 2,740 hours in voluntary activities with the above projects, in order to contribute to community empowerment and strengthen the chances of many youngsters to integrate in society in a healthy and positive way. Ness Israel believes it is the Company's duty to promote the right of each child to a fair opportunity to fulfil his or her potential.

In 2008, in addition to voluntary activities, Ness Israel donated ILS 670,000 (around \$170,000) in supporting communities.



NESS HUNGARY

Ness Hungary is highly active in providing a range of donations for local causes. In 2008 and first half 2009, this Ness subsidiary contributed over 9 million HUF (around \$46,000) to four main causes for the advancement and accessibility of sports, and for the support of disabled and injured children. The main donation was to **Bethesda Children Hospital** (over \$20,000). The **Bethesda Hospital** is one of the oldest children's hospital in Budapest and the only Christian children's hospital in Middle and Eastern Europe. The hospital is open for all children up to age 18 from Budapest and all over Hungary. The hospital attends to socially disadvantaged and physically handicapped children and their families.

For more details about **the Bethesda Hospital**, please visit their website:

<http://www.bethesda.hu/english/main.html>

In addition, Ness Hungary employees are actively involved in volunteer activities to support the local community, for example, Ness employees purchased and erected a wooden playground in the Hungarian village of Bakonybél.

Admiring the playground provided by Ness!



Ness Hungary also supported the inhabitants of Bakonybél with cleaning and recovery of waterways after a flood devastated homes and villages.

Ness Hungary employees are active in a regular Christmas project called the **Shoebox** - all employees are invited to bring one or more shoebox filled with sweets, new clothes and unused toys, gifts for orphans or children in poverty which are donated to children from underprivileged families.



Shoeboxes ready for distribution at Christmas 2008



For more details, please see Ness Hungary website (in Hungarian) : <http://www.ciposdoboz.hu/>

NESS INDIA

Ness India supports the children's charity Dream A Dream. The Company is involved with fund-raising activity through participation in sponsored marathon runs and donations through purchase of greeting cards which are presented as gifts to Ness employees on their birthdays.

For more details about **Dream the Dream**, please visit their website:

<http://www.dreamadream.org/>

In 2008, Ness India employees supported the Bihar Flood Relief Campaign, with voluntary contributions by employees which were equally matched by the Company. The total funds donated amounted to almost \$10,000 and were deposited with the Prime Ministers National Relief Fund. Ness also contributed 30 computers for children with special needs.

Contribute towards the
Bihar Flood Relief Operation

NessSense

Ness India supports charities such as the Rotary Blood Bank, and participated in creating India's first Registry of donors for Stem Cell Research, and a Home for the Aged, Little Sisters of the Poor.



In 2007, Ness India adopted a girl child through a NGO called 'Project Crayons' and continue to pay for her education every year at a modest cost of Rs. 11,000/- (around \$230).

For more details about Project Crayons, please see their website: <http://www.projectcrayons.org/>

Maintaining a workplace which is healthy and safe for all employees, free of violence and harassment

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 employees with an annual health check-up, some provide vaccinations and all Ness subsidiaries provide a range of 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 2008.

Some highlights:

- **Ness Bratislava** passed an external safety audit in 2008 with flying colours – no corrective action was identified.
- **Ness Czech** uses an e-learning program for all employees to refresh themselves on safety matters for at least two hours every year per employee.
- **Ness India** maintains a road safety campaign for those riding two wheelers



Email safe driving campaign to Ness India employees

**Your Safety Comes First!
Ness Helmets for Nessians
with two-wheelers!**



Dear Nessian,

At Ness, the personal safety of our employees has always been of prime concern. As most of you are aware, one of these reflections were **Ness Helmets** for Nessians across India, an initiative that we started 2 years ago through an employee safety and social responsibility program called **Traffic Pointers**. The initiative aims at encouraging employees to imbibe road safety and responsible driving practices.

Continuing this employee safety initiative, we will be distributing Ness helmets to all Nessians who commute on two wheelers to work.

Team Facilities will manage the distribution today and tomorrow, **October 22 & 23, from 5.30pm onwards**, across all our centers. Please sign* in your acknowledgment, while collecting your helmet.

And there's more news for all of us!

Diwali is just around the corner and celebration is in the air! To usher in the festive spirit, all Nessians will receive sweets and gifts by Friday, making it a **Diwali Double Dhamaka!**

For any queries, contact the Facilities Team at your location.

NessSense

Best regards,
Teams Facilities & Marketing

* Please produce your ID card

**Diwali
Double
Dhamaka!**





Providing a work environment supports individual wellbeing and work-life balance

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 well being 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
- arrangement of events, outings, family trips etc

In addition, special policies apply in certain countries:

- **Ness Bratislava** offer employees use of a swimming pool
- **Ness India** offers Ness-e-spa – an employee assistance program which provides employees and their families (spouse/partner, dependent parents and children) with access to a range of confidential advice, information and counselling services including stress management, communication management, personal relationships and skills acquisition. This is a free round- the-clock counselling and referral service, aiming to assist people to address issues and work with the individual and/or family to resolve a diverse range of situations. The counsellors are professionally qualified.
- **Ness India** provides crèche facilities near the Company offices to assist working mothers
- **Ness Romania** offers two years of prenatal leave for mother or father with 85% of salary paid in last 6 months
- **Ness Kosice (Slovak)** offers free gym facilities for employees



One of several email campaigns by Ness India to help employees in matters of life and work!



All You Need to Know for Work, Life and Balance

Highlights of the Day

Employee Referral Scheme

- Refer employees and earn referral incentives
- Referral incentives ranging from Rs. 15,000 to Rs. 40,000

Want to know more?

Log in to Ness-e-City>Ness Info>Human Resources for details.

Incentives for Internal Trainer

- Take initiatives to conduct training and be recognized as an internal trainer
- Receive Cash Incentives ranging from Rs. 3,000 to Rs. 6,000 based on your ratings
- Required a minimum 8 hours of training, spread over one or more days

Interested in taking this initiative?

Log in to Ness-e-City>Ness Info>Human Resources for details.

PC/Laptop Scheme

- Now purchase a PC/Laptop of any brand or model upto Rs. 60,000 and get 50% of it reimbursed, post 24 months of availing the benefit.

Want to know about eligibility and procedures?

Log in to Ness-e-City>Ness Info>Human Resources for details.

At a Glance

- Employee Referral Scheme
- Incentives for Internal Trainer
- PC/Laptop Scheme
- Car Lease Policy
- Interest-free Loan
- Rental Deposit Assistance
- Health Schemes:
 - Annual Health Check-up
 - Mediclaim
 - Doctor on call
- Ness-E-Spa
- Ness Day Care
- Learning and Development
- Rewards and Recognition
- Employee Clubs
- Gifts for special occasions
- Anti Sexual Harassment

Question of the Day

Under the PC/Laptop scheme, the purchase of PC/Laptop has to be made from which Company?

Log onto: Ness-e-City>Home page>Question of the day
Click on the right answer and win exciting prizes!!

Internal

Making a Difference @ Ness



Maintaining absolute privacy in 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.

Providing a work environment in which individuals can improve their skills and capabilities

Ness is committed to supporting the right of individuals around the world to gain knowledge and skills and find empowerment within the working environment. This is demonstrated in the importance that Ness places on developing its 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. In many locations, Ness provides full upskilling for new hires, many of whom have had little training or exposure to technological professions. Much of this is technical training, though large elements of training are devoted to personal development skills, management and leadership. In many cases, working for Ness offers many new experiences and exposes individuals to situations that are foreign to them. In Ness India, for example, a comprehensive workshop is given for all employees who travel abroad for work purposed 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 prepares its employees fully.

Ness Human Resources policies and practices include employee evaluation processes, training, development plans, career planning and opportunities for promotion and advancement. An 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 runs management training programs to assist employees to develop within the management levels of the business. Some opportunities are offered to employees to work abroad to gain different experience and skills.

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. Ness Israel has participated in this ranking for the past three years, and has



continually improved its position. There are three ranking positions: Platinum, Gold and Silver. In 2008, Ness Israel achieved a **Gold** ranking. 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>

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 believes in the freedom of employees to form or join a representative association. In practice, Ness employees are employed on personal employment contracts, through all are free to affiliate themselves with professional associations. 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 labour
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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 is a mutually-agreed contract which is freely accepted by employees.

In some countries, Ness Technologies has adopted a practice of asking suppliers to confirm that they do not use forced labor, as a condition of doing business with Ness.

Principle 5	Business should support the effective abolition of child labour
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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.

In some countries, Ness Technologies has adopted a practice of asking suppliers to confirm that they do not use child labor, as a condition of doing business with Ness.



Principle 6	Business should support the elimination of discrimination in respect of employment and occupation
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Equal opportunity, 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. Possibly our most diverse subsidiary in terms of nationalities is **Ness APAC** (Singapore, Malaysia, Thailand) who employs as follows:

- American 0.27%
- Australian 0.27%
- Bangladeshi 0.27%
- French 0.27%
- Iranian 0.27%
- Vietnamese 0.27%
- Myanmar 0.82%
- Malaysian 1.65%
- Indonesian 3.30%
- Singaporean 3.85%
- Chinese 4.12%
- Filipino 14.01%
- Thai 28.02%
- Indian 42.58%

Employees with disabilities

Ness provides a welcome and fully adapted workplace (where required) for employees with disabilities of any kind. Several disabled persons can be counted amongst Ness employees in Ness subsidiaries around the world. All disabled persons are offered equality of job opportunity provided they are capable of carrying our required tasks. In some cases, job requirements are modified to adapt to the special needs of disabled individuals.



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. Women are represented in our local company management teams around the world, as can be seen from the table below:

	Number of Managers on senior executive team	Number of women	% of women on senior management team
India	10	1	10%
Israel	15	3	20%
Europe	63	12	19%
Asia Pacific	10	1	10%
North America	8	1	13%
Overall Total	106	18	17%



Principle 7	Business should support a precautionary approach to environmental challenges
Principle 8	Business should undertake initiatives to promote greater environmental responsibility



Creating public awareness for environmental responsibility

In May 20, 2008, Ness held its client and partner conference today at the David InterContinental Hotel in Tel Aviv, Israel. **Al Gore**, former U.S. Vice President, 2007 Nobel Peace Prize recipient and author of the Oscar-winning film “An Inconvenient Truth,” was the keynote speaker. Mr. Gore delivered his presentation, “An Inconvenient Truth,” about global warming, including specific updates for Israel. Gore said that addressing global environmental concerns should be the world’s top priority. Mr. Gore praised Israel’s respect for the environment that has led to reclamation of the desert and one of the most impressive tree planting programs in the world. “In this region of the world, the water crisis is one of the most important manifestations of the global climate crisis,” said Gore. “It is critically important for all the peoples of the world to recognize that what we are facing is unprecedented in human history. Every nation must do more, whether it is the US or Israel or any other nation in the world, we must have new thinking and incentives. We, the people of this planet must make a strategic decision in keeping with our highest values to shift the basis of our system from fossil fuel and carbon based resources to renewable technology.”

Shachar Eyal, former President of Ness Israel in 2007 said: “We deeply respect the work that Mr. Gore has done on climate change and the environmental issues that impact us all. We appreciate that he took time from his demanding schedule to discuss with Israel’s business leaders the impact of humankind on climate change and, importantly, how each of us can help prevent ecological disaster. We hope our 2,000 clients, partners and special guests took away leadership lessons from Mr. Gore that will inspire the action needed to turn vision into reality – not only on environmental issues, but also in business and technology endeavors.”

Sachi Gerlitz, President and CEO of Ness Technologies said: “Al Gore is the embodiment of a leader who has made possible what looked from the start to be an impossible task. He took the critical but little understood concept of global warming and, almost single-handedly, changed the way we all think about it. Through his leadership, unwavering spirit against the



odds, ingenuity and ultimate success, he put the environment on the global agenda. At Ness we strive to bring these ‘make it happen’ qualities to every technology and business engagement with our clients in the 18 countries where we operate.”

Ness posts an introductory environmental policy statement on its website which is accessible to all to all to download.

<http://www.ness.com/Company/Documents/EnvironmentPolicyStatement.pdf>

Taking responsibility for the direct environmental impacts of our business

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 the Ness workforce in the achievement of these 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. The following are some of the activities of note in different Ness locations:

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 key areas the Committee focuses on are:



- managing the Company recycled waste project for electronic waste
- driving employee awareness and launching green communications to employees with a "Green Day" to take place at the beginning of August 2009.
- 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 in reducing Ness Israel's overall waste level from 44 tons in 2006 to 39.06 tons in 2008 – a 20% improvement. Furthermore, around 80% of this waste is now recycled.

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 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: <http://www.malraz.org.il/?CategoryID=157>

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. Offices use recycled paper. Publication of the Monthly Employee newsletter in several thousands of copies has been transferred to digital copy only.

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 twice daily. These efforts resulted in a 5% electricity saving in 2008 versus 2007 (5,502,208 kilowatt / per hour in 2008 versus 5,770,923 in 2007). Similarly, water consumption reduced by 33% from 13,908 cubic meters to 9,402 in 2008.

Reducing fuel consumption

Ness continuously drives the need to reduce fuel consumption for cars in order to contribute to environmental objectives whilst operating efficiently within the business. In 2008, Ness Israel held a competition for employees driving a company car (around 2,000 people), to raise awareness for fuel-efficient driving practices. After a period of 12 months, 5 employees who had saved the most fuel were awarded a special environmentally friendly prize!: a hybrid vehicle to replace their regular fuel-powered vehicle. This competition was well-received and helped raise awareness amongst all drivers as to their own ability to make environmental savings.



2008 fuel saving competition winners



Electronic waste

Ness Israel has initiated the establishment of an electronic waste recycling and disposal center in the Business Park Atidim where Ness Head Offices are located. The center will officially open 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 has been conceived in partnership with the Atidim Business Part Management, and will operate with the support of Ness and Atidim employees on a voluntary basis. The project also involves other partners, a non-profit organization who will dismantle electronic components using employees who have disabilities (as a further community contribution) and a Company who is authorized to recycle or dispose of electronic waste in a safe and environmentally friendly way.

NESS INDIA

Ness India has made far-reaching progress in matters related to environmental protection and involved employees in many different internal and external campaigns. Ness India runs an internal environmental awareness campaign called "**CNTRL+S**", targeted at encouraging employees to save resources such as water, electricity and paper. All e-waste of computer items, used batteries, printer cartridges are collected and recycled or disposed of in an environmentally friendly way by a recognized service provider. Solar energy is used for



heating water at several locations. Energy-efficient lighting (CFL) is in use at all Ness India centers, and state of the art data center energy-efficient technology is used including chillers of energy efficient screw type and specially equipped pumps. Ness India air-conditioning units have scroll compressors and save 25% energy versus regular types, computer monitors are all set to power saving mode and week timers for external lighting are installed.

NESS SLOVAKIA

Ness Slovakia supports the National Forest Center. The Company received a "Trees for Life" certificate from the center for its paper reduction.

In Ness Slovakia, all waste is sorted and separated and disposed of using environmentally friendly practices.

NESS ROMANIA

Ness Romania route all used paper to a collection and recycling Company that plants a tree in Ness's name for every 25kg collected. 25 trees were planted to date.

Supporting environmental causes

In addition to internal environmentally efficient practices, Ness engages employees in external causes to support the environment. Most notable have been the many and varied activities of our subsidiary in India, which employs over 2,700 people and is the largest local Ness employer. Some notable examples of environmental causes supported by Ness are recorded below:

NESS INDIA

"Bring The Birds Back" was an initiative launched on World Environment Day 2009 in Bangalore to review bird life in urban areas, necessary in light of the fleeing of birds with loss of many natural habitats. Ness Bangalore installed a birdbath at its corporate office, to improve bird habitats. A birdbath is an artificial puddle created with a shallow, water-filled basin for birds to drink and bathe in. It is a strong attraction for birds, and attracts many different species of birds.



Internal Ness email campaign to create awareness and support from Ness India employees for WED



"**Adopt a Sapling**" : Ness India employees were encouraged to donate 20 Rupees to adopt a sapling in support of World Environment Day 2009.

Internal Ness email campaign to create awareness and support from Ness India employees for WED



World Environment day Pledge by Ness India employees

Ness employees across Bangalore, Mumbai, Pune and Hyderabad observed **World Environment Day** on June 5th, 2009. The campaign '**Save Mother Earth**' included a poster contest on ways to save the earth, interactive workshops, presentations by eminent environmental activists including representatives of Greenpeace, tree planting by the newest Ness recruits, a free Emission Test for all Ness employee vehicles by government approved vendor agencies and the signing of the Green Miracle Pledge on a green signature tree .in addition, a seed-balls campaign was adopted involving employees in creating seed-balls to be scattered in open land that receives adequate rainfall. A post-event intranet poll after World Environment Day indicated that the event impacted over 80% of those who voted and have started to change behaviors, such as cycling to work instead of driving.

NESS ISRAEL

Ness Israel employees are involved on a regular and voluntary basis in activities to clean up Israel's beaches in an area north of Tel Aviv. . Around 100 employees together with their families, engage in beach-cleaning activities several times per year.



A poster of activities by Ness India and pledge to support environmental causes

Opinion Rewards!
Soliciting Nessian thought

Colourful messages surface at the Poster Contest

Get your 2 & 4 wheelers Emissions tested for FREE!

500+ are certified emission compliant at Ness

Save Water, Power and Paper

Concerned BDC Nessimians listen, enraptured by the passion...

Nessimians vote for Green

World Environment Day 2008
Over 1800 Votes across all India locations (First 4 days)

92%	Through an individual green gesture, I can make a difference.
90%	By being responsible, I can help protect our planet.

MDC Nessian Green Thumbs invest in their future

Nessimians making their mark, symbolizing the Green Miracle that will keep us alive longer

NessSense

I pledge to reduce my carbon footprint, save water, energy, food and paper, recycle and reuse to Save Mother Earth.

Mother Earth

The Green Miracle becomes a reality, wrought by Nessimians who dare to care



Principle 9	Business should encourage the development and diffusion of environmentally friendly technologies
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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. The following are some examples of Ness's advancements in IT technologies which provide indirect environmental benefits:

NESS US – Financial Services Industry

An example of Ness's recognized work in this area is Ness US ranking on the FinTech 100, an annual international listing of the top 100 global application and service providers to the financial services industry. The ranking was compiled by American Banker magazine and Financial Insights research firm, an IDC company. Ness Technologies was ranked 47th, advancing from last year's 55th position.

Larry Scott, President of Ness Global Industries said, "Our ranking reflects the quality and innovation of our solutions and services for the financial industry, helping financial institutions streamline their information technology environment, optimize business processes, and better control their data. Improving efficiency and productivity are key challenges faced by the financial industry, particularly in this time of financial crisis. Ness is committed to help financial institutions meet these needs and quickly address changing market dynamics."



For more information about the rankings, visit : www.financial-insights.com/fintech

To view the FinTech Special report, visit: www.AmericanBanker.com/fintech100



Ness Technologies Wins Microsoft Awards for IT Services

In early 2009, Ness Czech received two Microsoft Awards in the Czech Republic for superior technology services provided to customers in the Banking, Insurance and Financial Management sector and the State & Local, Health, Education and Training sector. Ness was recognized for successful implementation of a secure electronic payment platform for its customer, CSOB, in the financial category. In the medical category, Ness' work with healthcare provider, the Czech General Teaching Hospital, was cited by Microsoft.

PaySec for CSOB is a web solution providing a fast and secure platform for electronic payments. With this system, Ness has introduced Czech Internet users and Internet-enabled businesses to a new, secure payment channel. The project has been fully operational for one year and now includes more than 200 Internet-enabled businesses.

Project Zadanky is a new information system for the Czech General Teaching Hospital that automates requisitions, delivery and tracking of medical supplies. In addition, reporting and advanced analytical tools created by Ness facilitate flexible tuning of the hospital's standard operating procedures as its internal operations evolve.

The Microsoft Awards recognize the value of projects for end-customers filling a gap in the Czech Republic for online payments and offering a versatile and convenient tool, which is helping Czech financial systems mature and enable greater efficiency which has positive indirect environmental impact.



Principle 10	Business should work against corruption in all its forms, including extortion and bribery
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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, the Czech Republic).

An example of best practice in Ness is shown below at Ness's Czech subsidiary.

NESS CZECH

Ness Czech complies with all laws and regulations relating to anti-corruption and maintains strict procedures within the frameworks of ISO certifications 9000, 20000, 27000 and compliance with the Sarbanes-Oxley Act for process transparency, integrity, reliability, risk elimination and safety of applications and information sources. Ness Czech has been audited by the National Security Authority of the Czech Republic and holds the "Recognition of Personnel and Facility Security Clearance for level of classification SECRET" certificate, which is also valid for NATO. Ness Czech is on the list of qualified suppliers for the national government, which serves as a reinforcement for the integrity of Ness Czech's business and avoidance of any forms of corruption. Salespeople and project managers are regularly trained (5 times per year) in the area of new legislation related to commercial contracts.



Ness Technologies – ongoing commitment to the UNGC principles

Future directions

Following a comprehensive survey of Ness subsidiaries around the world, strong support was received for Ness's Global Compact program. Most countries see significant benefits in acting in accordance with the UNGC principles, and making a public statement about the ways in which Ness Technologies adheres to the Principles and promotes them.

The key areas of benefit for Ness, our society and environment as highlighted by our Companies around the globe include:

- enhanced employee engagement
- improved environmental impacts through coordinated environmental management and agreed global targets
- improved employee opportunities and equitable employee management through clearer global integration of employment policies
- greater ability to respond to customer queries relating to corporate responsibility
- improved reputation which supports competitive advantage

The key areas Ness will focus on in the coming years in order to enhance its Corporate Responsibility practices and improve the Company's global impacts on all stakeholders are:

- the development of global base policies in the area of environmental protection, comprehensive tracking of core data and targets for improvement
- the formalisation of environmental thinking in product development and the encouragement of clients to adopt environmentally friendly solutions
- the development of a clearer policy for global diversity and inclusion, and the advancement of women in Ness businesses around the world
- the development of a policy relating to Human Rights and its application in all Ness businesses
- a review of assimilation levels of the Ness Code of Business Conduct and a global framework that each Ness subsidiary will adopt
- a move towards greater transparency and the development of a full Corporate Responsibility Reporting process in line with Global Reporting Initiative guidelines



Availability of this Communication on Progress:

This communication on Progress is posted on the UNGC website and freely available for all to download. It is also posted on the Ness website.

Internally, we will post this COP on the Company's global intranet site for all employees to view, supported by a summary of the importance of participation in the UNGC. We will encourage employees to familiarize themselves with the principles and the way Ness upholds these in operations around the world.. Finally, we plan a series of internal discussion groups with Managers and employees to discuss opportunities to improve our application of the UNGC principles.

Externally, we will post this Communication on Progress on the Ness Technologies global website.

Our commitment to 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 entire Senior Management Committee of Ness Technologies.

Inbal Cinman, Corporate Responsibility Manager

Atzmon Lifshitz, EVP Human Resources

This Communication on Progress has been prepared with the support of an external specialist in Corporate Social Responsibility who verifies that all contents are a true and accurate representation of Ness Technologies adherence to UNGC principles.

Elaine Cohen, CEO of Beyond Business Ltd, www.b-yond.biz/en

August 2009