



Ness Technologies

UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS

**Our fourth communication on progress
covering our activities in 2012 and first half-year 2013**

October 2013

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Ness Technologies Business Profile

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

We deliver our portfolio of services and solutions using a global delivery model combining offshore, near-shore and local teams, providing services to over 500 clients, using a highly skilled workforce of experienced IT employees and consulting professionals across several markets. We serve customers in a range of sectors including high-tech companies and software vendors, utilities providers, government departments, financial services, defense and homeland security, life sciences and healthcare.



We maintain a global presence with offices and delivery facilities in Czech Republic, Germany, Hungary, India, Israel, Romania, Slovakia, Switzerland, UK , U.S. and Canada, employing approximately 7,000 experienced information technology and consulting professionals, combining knowledge of its key markets and client businesses with technical expertise to deliver tailored solutions to clients, under rigorous regulatory requirements. We maintain strategic partnerships with leading global software and infrastructure vendors, capitalizing on a wide array of technologies and innovation.

Ness Technologies is owned by Citi Venture Capital International (CVCI), a global private equity investment fund which was recently merged with The Rohatyn Group (TRG), managing over \$7 billion in equity investments and committed capital. CVCI has an internationally integrated investment team with over 45 professionals worldwide with a local presence in Singapore, Mumbai, New Delhi, Hong Kong, London, New York and Santiago. Founded in 2003, the Rohatyn Group is a leading emerging markets asset management firm headquartered in New York with offices around the globe.

The principal executive office of Ness Technologies remains in Tel Aviv, Israel. The Ness global executive staff team is based in Israel and in India, Europe and the United States.

See more at www.ness.com

Ness Worldwide



Leading Companies Trust Us
We Provide Services to over 500 Diversified Clients Worldwide

High-Tech, IBVs & others	Financial Services	Defense & Homeland Security
Public & Utilities	Life Sciences & Healthcare	Other

Commitment from the CEO



On behalf of Ness Technologies, I confirm our unreserved support for the Global Compact and our intention to continue to uphold the ten principles of responsible business in all that we do, promote the principles to raise awareness and further commitment by those with whom we interact, and submit an annual Communication on Progress in accordance with the Global Compact guidelines.

In 2012, we have continued to advance our business and expanded our offering to help our customers do business more efficiently and achieve their objectives. We have consolidated our structure, following our acquisition by CVCI in 2011, and achieved several major new contracts with clients around the world. During 2012, we announced the opening of a new development center in Iași, Romania, as part of our Software Engineering Services (SES) global delivery organization. The launch of the Iași Development Center (IDC) is part of our effort to expand our global footprint, getting closer to where our customers need us, and is a welcome addition to our established development centers in India, North America, Slovakia, Singapore and Israel. We also established a new development center in Pittsburgh, United States which provides us with proximity to our U.S. corporate client locations. In 2013, we launched the Ness Oasis Development Center in Be'er Sheva, Israel – our tenth global technology center - in cooperation with the Israeli Ministry of Industry and Trade to deliver premium development services in various domains.

We see participation in the UN Global Compact as a platform which assists us in defining how we maintain and develop our responsible business practices in all the countries in which we operate, and as a way to align ourselves with the expectations of society and our stakeholders – customers, suppliers, business partners and employees.

Sincerely,

Ofer Segev
 Ness Technologies
 President and CEO

Ness Leadership



Ofer Segev
Chief Executive Officer, Ness Technologies

Mike Laor
Chief Financial Officer and
Executive Vice President



Shachar Efal
President, Ness Israel



Shabtai Koren
President,
Ness CEE



Michael Zinderman
President, Technologies &
Systems Group (TSG)

Satyajit Bandyopadhyay
CDO, Ness SES and
President, Ness India



Paul Madarasz
President, Ness Software
Engineering Services

Ilan Rotem
Chief Legal Officer and
Secretary



Ness Technologies Vision and Values

Vision

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



Values

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

- **Partnership** - with our employees, customers and partners. Relationships 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, we constantly examine how to act to reach our goal, while considering the needs and aspirations of others, in order to achieve **Win-Win** for all our stakeholders.

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

Our Values in Practice



We believe in living our values every day. This is why we were so pleased that a visit by our partners at Vix recognized the dedication to excellence, teamwork, partnership and innovation of our Slovakian office.

In 2011, our Software Product Labs won a three-year, \$2.5 million contract with Vix, a global provider of solutions to the transport sector. As part of the contract, we established an Extended Development Center for Vix at our global development facility in Košice, Slovakia. The contract aims to utilize our information technology solutions and services to contribute greater flexibility and cost benefits to Vix's transit-based mobility, payment and telecommunications solutions.

In September 2012, Ness Slovakia celebrated its first year anniversary of the Vix Technology lab. Vix representatives from the UK travelled to Slovakia, met with our individual team leaders and took part in the first-ever Vix all-staff meeting. At the end of their visit, Vix CTO Cliff Bull and Vix UK Director Peter Eccleson commended our Slovakian team's achievements, spirit of innovation and hard work.



Vix leaders and Ness employees at the first Vix all-staff meeting in Slovakia

Human Rights and Community Empowerment

Principle 1:

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

Principle 2:

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

Our Approach

Ness Technologies is 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 we honor all the basic provisions contained in the Universal Declaration of Human Rights. We conduct our business around the globe in a manner which promotes trust, respect, dignity and valuing each individual, while making maximum efforts to ensure human rights are upheld in every activity of our business.

The key themes of our community empowerment programs include the development of children and youth through education and technology, strengthening the link between the worlds of education and technology in order to develop our youth as technology leaders.

As with many of our global activities, global commitment is backed up by local action. In all locations around the world, our employees donate time, energy, money, services and equipment to support and empower the communities in which we work and thrive. We believe in maintaining close connections with the local community and therefore, each Ness country unit around the world elects to support the community issues that are most relevant to local communities. All individual Ness subsidiaries decide for themselves how this should be implemented at local level, and which non-profit causes they would like to support. In 2012, our employees in locations around the world donated thousands of hours in volunteering activities. In fact, Ness Technologies employees in Israel and India donated almost 1,500 hours alone.



Ness Israel

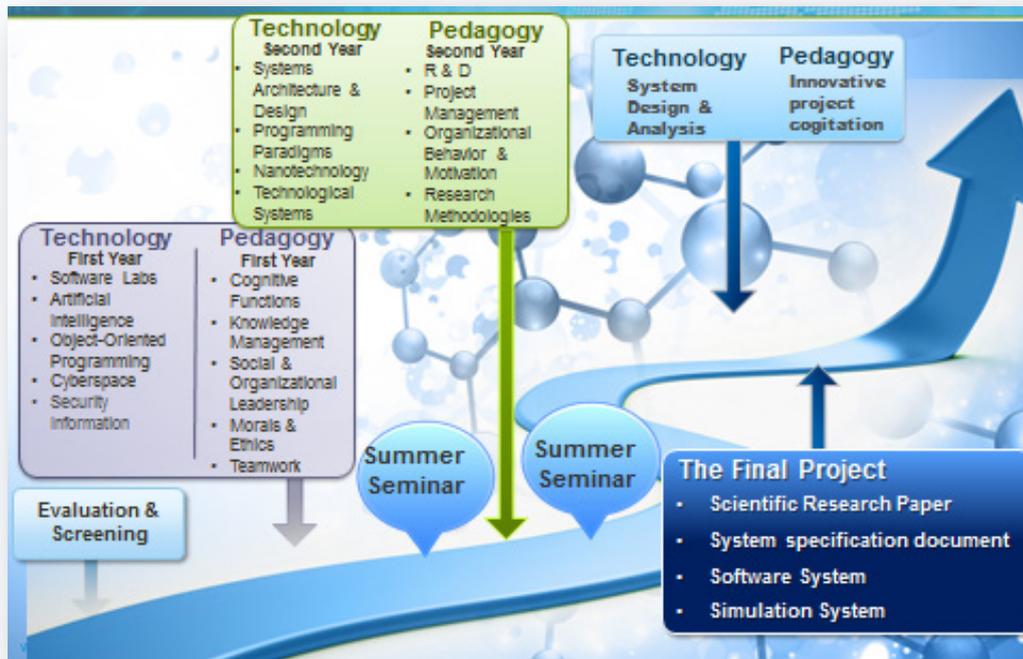
Social Business: Filling a Gap in Technology Education

Wherever possible, we identify business opportunities that bring added value to local communities and to our society as a whole. For example, our technology leadership program enables outstanding students to develop their technology aptitudes. Back in 2004, we identified a significant gap in the area of technology education, which we felt we could address, given our expertise and capabilities as a leading technology company in Israel.

The development of the Ness Technologies Certification Technology Management (CTM-Ed) Program, in which we partner with heads of educational departments in a range of municipalities, represents a unique partnership between education and a technology company. Now in its seventh year (2012-2013), the Program operates in 35 locations from Eilat in the south to Haifa in the north of Israel, and to date, approximately 4,000 students – the top 10% performers in their high school classes – have participated in the Program. CTM-Ed graduates receive both a Certificate of Graduation and the opportunity to become Microsoft-certified professional developers.

Over the last couple of decades, Israel has grown in prominence as an international hub for technological innovation. However, technology educational at the secondary level has not met the needs of Israel's future leaders. Ness saw the potential of contributing its 30 years of technology experience and research towards developing youth technology leadership. To bridge this gap, Ness Technologies' CTM-Ed program exposes youth to the fields of biotechnology, nanotechnology, artificial intelligence, genetic engineering and software engineering through a two-year program.

Students learn to lead with vision and ethics, improve relationships, and work in complex environments. They develop innovative technological concepts that could become social and technological breakthroughs and learn how to articulate their ideas. These students work in teams and while some members focus on the technical aspect of their ideas, others are involved with the scientific research process and concept design. At the end of the second year, students present their ideas to senior management at Ness. The ideas are judged based on their practicality, innovation and originality, and technological and economic feasibility.



The CTM –Ed Program process

During the summer periods, CTM-Ed students take part in off-campus activities. In the summer of 2013, students visited academic institutions and high-tech companies, took part in leadership workshops and a weeklong computer-based preparatory program in the Israel Defense Force's Youth Battalion.

At the culmination of the CTM-Ed program, a prestigious national conference is held at which the graduating students present their final projects in an exhibition. High-level guests, including the mayors of the municipalities which partner with the CTM-Ed Program, attend the event. The class of 2013 presented many outstanding technological ideas including a system that helps the blind to "feel" their surroundings by the use of a touch pad, and a bio-technology method that uses ants to find earthquake survivors.

Ness Technologies' Certification Technology Management program has resulted in several notable achievements. Over fifty different technological innovation opportunities every year have been created and students have gone to join Israel's most distinguished academic technology programs.

Empowering Communities around the World

Ness Technologies employees volunteer time in the communities in which our offices are located. Here are some of our activities from around the world.



Ness Israel

Promoting technology education with ORT Israel

ORT is Israel's largest educational network of schools and colleges. Through ORT, 100,000 students from every part of Israel and every social and economic level gain valuable math, science and technological skills to advance toward selected professions. Ness Israel continues to progress our five year partnership with the ORT Israel school network, supporting schoolchildren that would be unlikely to complete their matriculation exams.

Since 2006, the PC Technician Certification has involved twelve graders who are able to progress but are not able to consider a university education in the near future. We are the exclusive developers of the certification course materials. Our employees, PC technicians themselves, teach the courses on company time.

"We are all busy with work, school, social activities or other essential things. But we should all ask ourselves whether we really do not have even a few minutes a week to do something for the common good. The ORT framework helps us make our volunteering efforts truly meaningful."

Yaniv Vaknin, OS Business Manager, Ness Israel

Inspiring Kids to Learn

The non-profit organization, "**Different Lesson**", has created an innovative volunteering platform that offers professionals a way to make a meaningful contribution by teaching lessons learned in their fields of expertise, typically not taught in the classrooms, to school pupils. Ness volunteers support this organization by volunteering as guest lecturers around the country.

"I volunteer because it gives me pleasure and satisfaction. To give is a small thing and yet makes a big change in the lives of the recipients. The feedback we receive back from students is tremendous motivation for our volunteers." **Barak Friedman, Systems Architect at Ness TSG, Ness Israel**

Advancing Technology Skills

Taasiyeda, the educational branch of the Israeli Manufacturers' Association of Israel, aims to advance youth interest and capability in technology and innovation. Through this program, students attend lectures taught by industry experts and compete in the end-of-year contests. The hope is that these young entrepreneurs will eventually become leaders in innovation in the Israeli hi-tech industry. Our sponsorship provides the Program with Ness employees who mentor students and provide them with access to industry knowledge and resources. Ness Technologies and Systems Group (TSG) employees have helped gifted school children to construct, develop and market a unique industry product. In 2011 and 2012, our students won first prize in the Taasiyeda competition.



Ness employees volunteer in the Taasiyeda Program

"I choose to volunteer for this project because I gain great satisfaction from the interaction with these talented children, both through sharing my knowledge and experience with them, and also seeing the creativity of the children that leads them to invent amazing products."

Adi Bar-Lev, Project Manager at Ness TSG, Ness Israel

"I've always been intrigued by the ability of children and youth to respond with an open mind and pure heart and, of course, with curiosity for innovation. Through the Taasiyeda project, I have met gifted, talented and inquiring youth who want to swallow up the world. I am fascinated every time I see how each one of them finds a place in a different and original way."

Amir Hunga, SVP, Emerging Solutions Division, Ness Israel

Supporting Disadvantaged Children

Ness employees support two clubs for children between the ages of six and eleven, who come from broken homes. Ness employees visit the schoolchildren for special events and holidays and take part in their activities. The schoolchildren also visit the Ness offices where Ness employees help them with their studies and homework.

"You can see the children's eyes sparkle every time we come to volunteer. In addition, volunteering contributes to our development as employees." **Yael Levi, Programmer at Ness Pro, Ness Israel**

Life Skills for Young People

"**Bridge to the Youth**" is an organization that helps youth growing up in dangerous or stressful environments. The organization runs a home in Tel Aviv for youth at risk, providing a range of support services and life-skills for the young people. Ness volunteers participate by running life-skills workshops and offering courses to help prepare the youth for their mandatory army duty and entering the job market.



**Ness Recruitment Coordinator Sivan Levanon
volunteering in the Bridge to the Youth program**

Helping out with Ethiopian Absorption

We support an organization called "**Hiyot**" which was established to assist Ethiopians in the process of absorption into Israeli society. The word "Hiyot" in Amharic means "life" and the organization offers social and educational programs for Ethiopian youth through youth centers and after-school programs which help their successful integration. Our employees take part in these programs, offering friendship, practical support and advice to our new Ethiopian citizens.

"The ability to reach out to these children gives me great satisfaction. Their smiles, gratitude and embraces give me great energy." **Orna Galgut, Training Program Director at Ness T&T, Ness Israel**



Ness USA

Special Holiday Events at the Ronald McDonald's House

The Ronald McDonald House creates a home away from home and supportive community for families of children with life-threatening illnesses receiving treatment at local hospitals. This year we hosted a Father's Day event at the Ronald McDonald House where employees prepared and cooked a meal for about eighty people. Our employees also assembled 40 boxes for distribution to children in hospital on Valentine's Day.



Ness USA volunteers pack gifts for sick children at the Ronald McDonald's House

Red Cross Blood Drive

Ness USA organized a blood drive in cooperation with the American Red Cross - San Jose Regional office. Our volunteers assisted blood donors at the center checking-in and registration tables. They also took care of the blood donors at the canteen ensuring they were feeling well before they left.

Hurricane Sandy Relief Fund

We supported the American Red Cross Relief effort for those affected by the devastation and destruction caused by Hurricane Sandy. Our employees contributed U.S.\$ 2,100 and Ness USA matched this sum, bringing the total donation to U.S.\$ 4,200.

Saint Jude Children's Research Hospital

This year we sponsored the St. Jude Champions for Hope Gala event. Saint Jude Children's Research Hospital is recognized for pioneering research and treatment of children with life-threatening diseases. The Hospital has helped push survival rates for childhood cancer from less than 20 percent when the institution opened to almost 80 percent today. Proceeds from the event were donated to Saint Jude Children's Research Hospital.



Ness Slovakia

The Carpathian Wander

The Carpathian Foundation supports projects in eastern Slovakia to assist the development of its diverse communities, encourage local partnerships and help grassroots not-for-profit organizations and local government. This year, 14 employees undertook the "Carpathian wander" – a trail of 50 km through the Ridge of Volovske Mountain – to fundraise for these projects. The event raised Euro 3,030.



Ness employees take on the Carpathian Wander to fund-raise for Carpathian Foundation

Animal shelter in Košice

Košice, the biggest city in Eastern Slovakia, has a growing problem with street animals. The animal shelter in Košice is already at full capacity and has little funding for needed supplies. Our employees started a collection for equipment to support the new born puppies. They also bought dog food and donated everything to the animal shelter to continue its care for these stray animals.



Košice employees collected needed supply for the Košice Animal Shelter

Volunteer Day at OAZA Homeless Shelter

In 2011, Ness KDC entered into cooperation with OAZA, a homeless shelter to provide various forms of assistance on a yearly basis. This year, Ness KDC employees volunteered at the OAZA Homeless Shelter, building new kennels for dogs that will be housed on the premises to provide company to the OAZA residents. KDC employees came with their children and spouses over a weekend to construct and paint the kennels.



Ness KDC employees build dog kennels for the OAZA Homeless Shelter

Junior Achievement Competition

Ness employees judged the student competition of "**Junior Achievement**" focused on increasing tourism to the region. "**Junior Achievement**" is a not-profit organization that brings volunteers into the classroom to teach students the essence of business through a hands-on curriculum. The winning team was a business administration-focused secondary school, the Business Academy, from Prievidza in Slovakia.



Ness Slovakia employee judges and the Junior Achievement student competitors



Ness Czech Republic

"Heart in Hand"

Ness Czech partners with the Endowment Fund **"Heart in Hand"** and provides support for children living in the orphanage in Cerna Voda. This support includes implementing a range of activities throughout the year, including donations of clothes, toys and sport equipment; as well as hosting skiing trips, an Easter market in the Ness offices, a Charity Golf tournament, a children's weekend, summer job activities for the children in Prague, a sports weekend, a Christmas Charity concert and more. This ongoing relationship benefits the orphanage and is a regular commitment by Ness Czech employees.

Thomayer Hospital in Prague

Thomayer Hospital in Prague is one of the largest medical facilities in the Czech Republic. Ness Czech volunteers participated in various hospital activities throughout the year and donated two new computers to the Hospital.



Ness Hungary

Christmas "Shoebox Campaign"

Ness employees helped to create colorfully-wrapped shoeboxes full of goodies sent to thousands of children who might not have received any other Christmas presents. These presents went to children in Hungary and other nearby countries who live in impoverished circumstances.



Ness India

In 2012, Ness India and our local employees volunteered many hours and donated funds to support the community:

- 330 employees who volunteered in the community at least once
- 428 employee hours spent volunteering
- U.S.\$ 7,600 contributed to the community
- U.S.\$ 3,200 in range of contributions (goods, services and transactions not measured in monetary terms) made to the community

Ness India has made long term commitments to supporting the rights of children to a full and wholesome education, through partnering with government schools located in areas where Ness maintains operations in India. Our on-going contribution to these schools includes the provision of school materials and computers, teaching assistance and more, through donations, fund-raising campaigns and joint activities with employee volunteers. The schools which Ness India assisted this year are:

- Dodabelle Government School in Bangalore;
- Mandal Parishad Primary School and five other government schools in Hyderabad;
- Pratiksha Nagar BMC School in Mumbai; and
- Rakum School of the Blind and Shri Ramana Maharishi Academy for the Blind in Bangalore.

Ness India supported these schools as followed:

School Supplies: Ness India partnered with the NGO Peace Child to raise Indian Rs. 40,000 for the Dodabelle Government School in Bangalore towards stationery, notebooks and other academic requirements for Grade Seven students. As many students have to drop out of school because of the lack of family funding available for their education, it is hoped that this donation can help keep these kids in school.

Books, Tuition and Toys: Ness India supports the less-privileged students in the Rakum School of Blind and Shri Ramana Maharishi Academy for Blind. Ness India collected toys and raised Indian Rs. 50,000 for all the mandatory books for the current academic year, and sponsored two children's education for the year.

Computer Donations: Ness Hyderabad donated 20 computers to five Government schools to support technological education for pupils. The Ness Sense Program is aimed at strengthening the computer literacy of under-privileged students. The NGO, Project 511, helped select the schools which enroll close to 2,000 students in total.

English Teaching Program: In association with the Chip Foundation, Ness India began English Language classes for the students of the Pratiksha Nagar BMC School in Mumbai.

Paint-the-school Drive: Ness Hyderabad employees and their families painted the walls of the Mandal Parishad Primary School to give the school a new look. Over 60 Ness employees dedicated two full-days to the project.



Ness employees teaching English classes in Pratiksha Nagar BMC School in Mumbai



Ness Hyderabad employees and their families painting the walls of Mandal Parishad Primary School



Ness Hyderabad donated 20 computers to five Government schools

Ness India employees took part in additional community service activities during the year.

Ness Hyderabad employees engaged in the following activities:

- **Food and Clothing Donations:** The Kamamma Old Age Home received in-kind donations from the collective effort of Ness Hyderabad employees. The program, 'Generous Week', which took place in December 2012, was initiated to make life a little better for the residents. Ness employees donated food and clothing items purchased from the funds they raised.
- **Blood Donation Drive:** The Blood Donation Camp organized by Ness Hyderabad in collaboration with the NTR Blood Bank supports patients suffering from Thalassemia and Haemophilia by providing blood free of cost. In total, 85 employees donated blood during the event.



Ness Hyderabad's rice, dal and oil donation to the Kamamma Old Age Home

Ness Bangalore employees engaged in the following activity:

- **Blood Donation Drive:** Our employees organized a blood drive in association with Rotary Bangalore. More than 130 employees qualified as donors and contributed to the event.

Ness Mumbai employees engaged in the following activities:

- **Child Development and Women Empowerment:** We organized an awareness campaign for Ness Mumbai employees regarding child development and women empowerment issues in India, in cooperation with the NGO, Action Aid.
- **Blood Donation Camp:** We organized a blood drive in association with Tata Memorial Hospital. In total, 80 employees qualified as donors and gave blood during the event.
- **Clothing Donation:** During the 'Joy of Giving' week, employees donated their old clothes which were distributed to those in need, in cooperation with the NGO, Goonj.



Blood Drives took place in all three Ness India locations

Making Children Smile: Our Global CSR Champion



Yuval Malchi volunteering as a medical clown

In 2012, we recognized one of our employees for making children smile. During **InNessovation** – the Ness Innovation Conference held in Israel in February 2013 - we announced **Yuval Malchi**, a Data Management Activity Manager at NessPro in Ness Israel, as the 2012 Global CSR Champion. The Global CSR Champion award recognizes strong community commitment and contribution. For Yuval's commitment to community service, we awarded him and his wife a five-day luxury vacation in Israel.

Yuval has been deeply involved with voluntary activities for many years. He began volunteering in a boarding school for under-privileged children twelve years ago, through regular visits, assisting with special events and celebrations and providing gifts on special occasions. Yuval promotes the boarding school within Ness and enlists the support of colleagues and the company for funds to support his activities and involvement in volunteer activities. Twice a year, Yuval and his colleagues take the boarding school students on jeep rides, and during the festival of Hanukah (the Jewish Festival of Lights), the students compete for building the best Hanukkah Menorah (nine-branch candle holder) and Yuval and his Manager judge the event.

"You appreciate where you work when you do things for the community together. When you do things as a team, it brings extra advantages to the workplace. It makes you more humble, appreciate your environment and motivates you to give more to the company." **Yuval Malchi**

Yuval also volunteers in oncology wards of local hospitals as a certified medical clown. Yuval uses the skills he learned in a one-year medical clown certification course to perform tricks and entertain sick children. His inspiration for becoming a medical clown stems from the time his own son was ill and was treated abroad. Yuval noted that no one came to visit some of the sick children and decided to do something to put a smile on the faces of children hospitalized at home in Israel.

Maintaining Human Rights in our Supply Chain

In addition to observing laws and regulations upholding human rights, and our own Code of Business Conduct, we work with our suppliers to increase awareness of socially responsible practices and human rights.

Ethical purchasing recognizes that suppliers have an impact on our supply chain and should operate in line with our ethical, responsible and sustainable principles. All suppliers must now sign the Supplier Code of Conduct which sets out the sustainable purchasing requirements. We also developed a specific clause in supplier contracts which advises them of our ethical standards and mandates compliance. In 2012, we analyzed how other CSR and anti-corruption clauses could be added to supplier contracts.

During 2011, we developed a pilot program with ten Top Tier suppliers to collect information about key supplier practices and impacts in the area of social and environmental responsibility and received the responses from all ten Top Tier suppliers by 2012. In the future, we will consider how to utilize the data to create new means of collaboration.

We have also committed to offer equal opportunity for a wide range of suppliers including small businesses, women or minority-owned businesses. We have requested that our suppliers purchase local materials, whenever possible. The Supplier Code of Conduct obliges us to fair, decent, ethical and transparent dealings with its suppliers and avoidance of all forms of conflict of interest.

Labor Standards and Responsible Workplace

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

Our Approach

We observe all laws and regulations on all aspects of employment and employee rights all over the world. In many cases, we go beyond minimum rights, aspiring to provide a caring and nurturing workplace, in which employees can feel confident and valued, fairly compensated and have options for personal development and growth.

Freedom of Association: Ness Technologies complies with all regulations and legal requirements regarding the right of employees to form or join a representative association. In practice, Ness employees are employed on personal employment contracts. In the workplace, we encourage 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 creating an environment of responsibility and common understanding of the needs of employees and their wellbeing at work.

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

Child Labor: Ness Technologies forbids the use of child labor in any form. We are aware that international labor conventions define the minimum age for employment in developed countries as age 15. 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.

Employee Privacy: Ness Technologies 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.

Diversity and Inclusion

Our Approach

Ness Technologies upholds a strict global approach to equal opportunity, diversity and inclusion which is 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.



Ness Israel: A Diverse Workplace

Recruitment for Diversity

We work with many Non-Governmental Organizations (NGOs) and Israeli government ministries to recruit employees from under-represented groups in the high-tech industry. These employees include adults over the age of 50 including those 60+, unskilled youth, new immigrants, Arab citizens, and people with disabilities. We provide workshops for potential candidates to improve their applications and when we identify a promising candidate who might not pass the interview, we offer to provide coaching. In 2012/2013, we recruited 13 employees through these channels. For instance, we collaborated with a company and NGOs to conduct a skills-building workshop for potential candidates. As a result, we hired two Arab workshop participants as Ness Support Center staff. We also are working with these same organizations to identify Ethiopians, students from Israel's periphery, and people from low socio-economic backgrounds for positions in the north and south of Israel.



Some of our partner organizations in recruitment for diversity

Considering Special Employment Needs

In Israel, 59% of the Jewish Orthodox community lives below the poverty line. Studies have shown that skills-building training and opportunities for employment can help break the cycle of poverty for many Orthodox families. Employing members of Orthodox community requires special considerations to enable employees to maintain their religious practices, dietary requirements and other special needs of religious observers. In 2012, we doubled the number of employees recruited from the Orthodox community to 22 current staff members. We hired a Jewish Orthodox female staff member to provide support and ensure that their working environment is tailored to their needs and that they feel both welcome and empowered in working at Ness Technologies.

Advancing Women in Management

As an equal opportunity company, we believe that diversity and inclusion are essential to our success. In 2010, while we found that there was an even split between women and men in non-management roles, we noted that far fewer women held senior management level positions in Ness.

In 2011, we created the Womeness Forum comprised of around 13 women in management roles who meet regularly. The Womeness Forum's goal is to significantly augment the number of women in managerial positions in Ness. Amongst the Forum activities are specially-tailored development courses for women. Thus far, thirty women have participated in this program to help advance their career at Ness and support our goal of advancing women in management.

In an interactive process, we found that many women did not apply to vacant managerial positions for various reasons including because they believed they lacked the right qualifications or were worried about the consequences of such an action. As a result, we began to review proactively potential female candidates that could be an appropriate fit for available management roles and encourage them to apply.

In addition, every quarter, we host lectures for women managers on various topics that are of interest and/or importance to women in managerial positions. Once a year, we also hold an evening for all the women in the company, with updates about the Womeness program and inspiring lectures from accomplished women. In mid-2012, we established a new mentoring program, and six senior women managers are now engaged in mentoring women with leadership potential, providing support and advice on a range of career and work-life issues.



Ness India: Advancing Women

Ness India has focused efforts on attracting, nurturing and retaining female employees. In Ness India, 22% of staff members are women including 193 women who were recruited last year - 23% of new recruits. The Womeness Forum operates across all Ness India office locations. Members of the Forum meet regularly to develop and implement initiatives to share knowledge, collaborate on projects and network with Ness leadership. In Bangalore, the Womeness Forum recently conducted an interactive session with our female leaders

Investing in our Employees



Ness Israel: Investing in our Employees

Investing in our Administrative Staff

Every employee at Ness Technologies has an important role to play. In 2012, we became aware that one group of employees were not being given the support they needed to make their best contribution. Therefore, we launched an 'Administration in Focus' program in our Ness Israel offices as a recognition and development program designed especially for 30 staff members, who provide administrative support to all 2,655 employees and managers in Ness Israel. These administrative staff members provide support that enables our business leadership to drive the company forward. Their role is essential and we saw the importance of investing in their development.

The program was developed after a round of meetings with managers, human resources staff and the administrative staff itself to map the needs and opportunities for increased engagement. The main opportunity raised by the administrative staff in these meetings was that they wanted to be more familiar with our business and our objectives so that they can be more engaged and provide greater support. The group also expressed an interest in professional-technological training and opportunities to participate in social activities.

The 'Administration in Focus' program was created and included:

- A 16-hour workshop managed by an organizational development counselor to strengthen confidence and help the administrative staff see and appreciate the importance of their work.

- Professional-technological workshops including Microsoft Office training, and other computer skills.
- A wrap-up conference together with two management members, and our HR manager, with an overview of Ness Technologies' operations to increase familiarity with Ness, and discussions around the value and importance of their work to the business.

The program was considered a success as it provided the administrative staff, for the first time, with the opportunity to receive recognition for their dedication and hard work. The workshops and meetings enriched their knowledge and broadened their skill-base creating a sense of empowerment among the participants, both personally and professionally. The staff and their managers testify that motivation of participants has increased, as well as their sense of worth as an integral and important part of Ness.

Investing in Middle Management

In every organization, middle management is a critical link that represents the connection between senior management and employees. At Ness Technologies, first-line managers (FLMs) are these middle managers and most employees report directly to them. This is why we developed a managerial training program several years ago dedicated to these 300 managers.



FLMs take part in a dedicated management training program

In 2012, we launched a program for the support and professional development of the FLMs. We began by applying a systematic identification method which allowed us to differentiate FLMs as a unique group within the management structure (rather than as part of the general employee category as before). This has enabled more focused communication with FLMs, in line with Ness's communication plan, in a way that ensures new strategy and updates reaches all employees under their responsibility.

Furthermore, we realized we needed to build closer relationships between senior management, field employees and the FLMs. In response to this need, we launched the program, "Closer to the Field," designed to help our Directors and VPs improve their communication and supervision of FLMs. The "Closer to the Field" Program has four main directives:

1. Improve the communication between the manager and the field
2. Increase collaboration with employees in the field
3. Ensure integration of new employees
4. Extend recognition activities and platforms in Ness.

Training modules include instruction on effective listening techniques, tips on how to get more involved in the work of the FLMs, how to utilize "visit plans" to the field offices, and how to adequately mentor the FLMs. We are also planning a formal mentoring program in the near future.

Supporting High-Potential and High-Performing Managers

High-potential and high-performing managers are critical to the essential operation of our business, and support business continuity. In early 2013, we started to work towards launching a Talent Management (TM) program, which will help identify these high-potential and high-performing managers, and map their needs and challenges, so that we can support them better and enhance their contribution, as well as support their long term retention.

In addition, this year we revised our organizational Managerial Core Competencies model with input and approval from our senior leadership. This model focuses on six core competencies and forms the backbone of our talent management program's methodology.



Our plan is to launch the talent management program in 2014.

Providing Competitive Compensation and Benefits

We strive to provide comprehensive pension plans, health insurance offerings and a number of other attractive benefits. In 2013, the highest contribution rate for savings towards pension and severance pay according to Israeli law was 15% (5% from the employee, 5% from the employer and 5% for severance pay from the employer). From the first day of employment, our employees receive 18.33% contribution – a higher percentage than the legal requirement.

"Ness provides generous pension plans because we believe employees should be able to save enough money from their salary to help them be confident about their future financial security."

Oren Kaufman, Compensation and Benefits Manager, Ness Israel

Similarly, in Israel, we provide health insurance plans which allow our employees coverage in aspects of medical service and treatment not offered under the national health insurance, including access to medical technology, access to external healthcare providers, ambulatory treatment and home visits from doctors. Employees also have the option to include their family for a nominal fee.

To ensure our employees know about these and other benefits and provide us with feedback, we also designed an advanced employee portal accessible to all employees offering them the opportunity to access and understand benefits policies, raise queries and offer suggestions.

Equal Opportunity in Employee Compensation

We make strides to ensure fairness in compensation. An evaluation conducted of salaries of approximately 500 employees in 2012, revealed that there is a minimal difference of 5% in compensation between men and women employees in certain job categories. We believe that our employees should be promoted on the base of performance and continue to aim for equal opportunity in compensation.



Ness Slovakia: Recognized for Exceptional Benefits

In 2012, the Minister of Labor, Social Affairs and Family of Slovakia, Jozef Mihaly, awarded six employers that provide equal opportunities for men and women in their career development, and offer a workplace environment supporting healthy work-life balance. Ness KDC received an award for excellence in the category "Support for measures ensuring healthy balance between personal, professional and social life." Ness was recognized for the exceptional benefits it provides to its employees such as an additional five days of paid holiday (NessDays), three days for health-related matters (SickNess days), the possibility of working from home (Home Office) and the on-premises day care center during the summer (Ness Summer Club).



Ness Slovakia received a governmental award for its employee benefits



Ness India: Employee-oriented Policies and Incentives

Ness India supports employees through various policies and programs including:

- **Interest-free Loans:** Interest-free loan assistance to acquire a home or car or meet personal expenses.
- **Leave Policy:** All employees receive 24 days of annual leave, and new mothers enjoy four-month maternity leave. Paternity leave of three days is also included as part of this policy.
- **Incentive for Internal Trainers:** Employees who participate in development activities as trainers to advance business goals receive incentives and recognition from the company.

Engaging Our Employees



Israel: Employee Social Programs

Our Welfare Program encompasses a wide variety of activities to engage our employees and their families. In 2012, we invited employees to provide feedback about their interest in different social activities. As a result, we refreshed our program to include workshops and lectures on relevant topics of interest, as well as a comprehensive sports program and family-friendly trips every two months.

Sports Groups

In 2012, we initiated employee sports groups. Our employees now take Pilates classes and jog together. Our biking group rides together to destinations around Israel once a month and our Ness basketball team participate in tournaments with other company teams.

Workshops and Lectures

Workshops take place twice times a month and attract up to 100 employees at each session. In 2012 and early 2013, the workshops included subjects such as health and wellness, financial management, and family and cultural matters. Following the workshop on financial management, we offered employees the opportunity to consult with external financial experts about their personal finances. Over 70 employees took advantage of this opportunity. We also provided lectures to parents of young children on potty and sleep training, and regulating internet use and safety.

Welfare Activities

We believe that the welfare of our employees rests also with the well-being of their families. For this reason, many of our employee social programs are family-focused. Some of our family activities include day trips and movie nights for the whole family. In 2012-2013 over 1,700 employees and their family members participated in these events.



Ness employees and their families enjoy activities organized by the Ness Welfare Program



Ness employees enjoy a company trip to the ancient city of Jaffa

"We feel it is important to invest in building a sense of community among Ness employees. We try to do this by providing employees with opportunities to learn together about new things, experience new activities with their families and colleagues, and have fun!" **Keren Ben-Ami, CSR Coordinator, Ness Israel**



Ness Hungary: Employee Social Programs

Sports Programs: Ness Hungary planned many sports activities for its staff over the past year. This included a Sports Day in October for all of our employees and sponsorship of a football match. In addition, Ness' own Business Basketball team also took part in matches once a week.

Santa Claus festival: This year, the children of Ness employees enjoyed Christmas with a Santa Claus festival. Ness sponsored the event which included entertainment and fun for all involved.



Ness Czech Republic: Employee Social Programs

Sports Activities: Ness employees took part in three different marathons this year: the Hervis Company half-marathon in Prague, the Volkswagen Company Marathon in Prague, and the International Marathon of Piec in Košice

Children's Christmas party: Ness Czech threw a Christmas party for our employees and their children at Ness premises. The events included games and competitions for the children and a special Christmas theater performance of "A Christmas Story."



Ness Slovakia: Employee Social Programs

Ness Summer Club 2012: For the third consecutive summer, the children of Ness Košice's employees spent their summer holidays in the Ness Summer Club, taking part in summer social activities. A playroom was created inside the Ness offices and professional day-care workers were hired to take care of the 43 children of Ness employees. Both Ness employees and their kids took part in activities like handcrafts, games, singing and puppet show, as well as trips like a visit to the city zoo.



Ness Summer Club 2012 returned this year with fun activities for employees and their children

Family Day 2012: Ness Slovakia employees and their families spent a day in the summer together along with visitors from Ness Bangalore. Kids and adults took part in creative workshops, a magic show, electrical car race and archery, as well as dancing to drum music, and riding a mechanical bull.



Ness India: Employee Social Programs

Ness India provides our employees with work-life balance friendly policies and opportunities which include Special Interest Clubs run by employees and providing a wide range of activities for employees. Employees can participate in different club activities including hobbies and talents, sports, social causes and a Women's Forum that advances the interests of women employees.

Engaging Employees through Community Service

In many of our operations, we found that offering opportunities to volunteer is one of the best ways to engage and inspire employees. In Israel, many of our employees work in the fields gathering food for the National Food Bank, pack and distribute food packages to poor communities during the holiday season, and spend time with children in the Oncology units of Israeli hospitals.

One of our leaders, Giora Levi, Vice-President of Global Operations in Ness Israel, uses this approach to build a strong team culture in his department. In addition to business goals, Giora sets a different kind of target for his 35-member team to take part in service projects three times a year.

In February 2013, Giora and his team assisted the work of the organization, "&Joy," to prepare for its holiday gift orders. "&Joy" is a social entrepreneurship venture that employs people with disabilities to help them to earn a decent source of income and realize their potential. They assembled decorative boxes of treats, and the sales profit was used to support the organization and its employees.

In addition, Giora's team volunteered for the NGO, "Misholim." "Misholim" uses creative forms of therapy to assist children and youth-at-risk with their social, emotional and behavioral difficulties. The Ness volunteers constructed a garden and trained animals to take part in animal-assisted therapies.



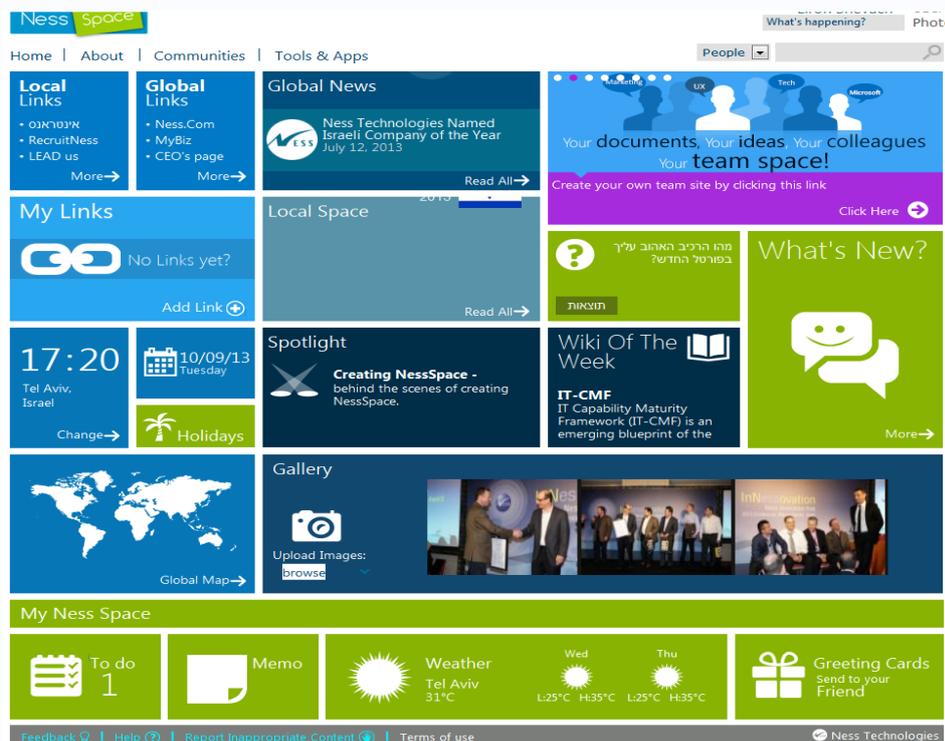
Giora Levi and his team volunteer at "Misholim"

Employee communications and feedback

In May 2013 we launched **NessSpace**, Ness Global Employee Portal, after two years in development. NessSpace is an interactive platform which enables:

- Enhanced communication between employees throughout the organization at all levels
- Sharing knowledge and supporting collaboration between business units
- Creating unified messaging across the company
- Improving employees' connection with the company and better understanding of our strategy and business units
- Promoting an innovation-based culture
- Endorsing openness and collaboration.

NessSpace is a SharePoint Web Application based Platform (Microsoft Windows 8). This is the most advanced technology available and it is highly user-friendly. For instance, the site is separated into tiles to provide ease of navigation for users, similar to smart phones



NessSpace global employee portal homepage

NessSpace enables employees to perform all kind of tasks, make contacts, organize their work through productivity applications, get updated news, utilize Ness internal applications, find important work-related information, upload photos, participate in polls and learn and develop knowledge of professional fields related to their work. The portal is highly interactive, just like external social media platforms, and allows employee to customize their own to-do lists, weather forecasts, send greeting cards to fellow employees and more.



NessSpace provides information about Ness, corporate values, history, CSR activities, management and key policies. A separate 'Communities' tab will host communities for employees to collaborate on projects, which we hope to launch in 2014.

NessSpace allows us to communicate better with each other as well as to get up to speed with local and global information, use essential tools and apps on our day-to-day work. This contributes to the organization culture of collaboration and knowledge-sharing, and also helps maintain connections among Ness employees, many of whom work remotely and do not have natural, frequent interaction with their colleagues during the normal course of their work.

In the future, we plan to allow greater flexibility for business units to add content to the platform, as well as support local languages and enable NessSpace to have hosting capabilities. We are also considering adding responsive functionality for improved user experience through mobile devices, and planning to add another unique platform in which employees can suggest and discuss innovative ideas.

Employee Health and Safety

Our Approach

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 laws, regulations and accepted industry standards in our 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 that their working environment is 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 and building specifications including air, lighting, hygiene and ergonomics, workplace violence and anti-harassment policies, fire procedures and emergency exits, etc. Almost all Ness subsidiaries provide support for employee health programs and medical benefits as part of their employment terms. In 2012, there were no serious accidents in which Ness employees were injured or harmed in Ness workplaces.

Partnering for Health

Our commitment to the health of our employees at Ness Israel continues with our Wellness Program. We provide health insurance plans which allow our employees coverage not offered under the national health insurance, and that we believe are among the best plans offered in our industry in Israel. We have also brought in experts to provide our employees on a wide range of important topics such as breast cancer detection and nutritional counseling.

As part of efforts to improve the health of employees through sporting events, we also take part or host biking events for special causes. In April 2012 and May 2013, Ness employees in Israel took part in "Wheels of Hope" - a nationwide riding experience in which they biked alongside people with disabilities. The event is organized by "Etgirim," an Israeli non-profit organization, which mission is to enable children, adolescents and adults with special needs to realize their optimum potential and to integrate within society through outdoor sports and active recreational activities. In September 2012, we ran our own biking event for the fifth consecutive year to benefit youth with Diabetes. The different biking courses available were in multiples of twelve - 12 km, 24 km, 36 km - to symbolize the number of times those with Diabetes must check their blood sugar level each day. After the event, the 30 Ness riders enjoyed the festivities organized in Mini Park Israel.



Protecting our Environment

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**

Our Approach

Our goal is to ensure that company facilities and operations are in compliance with all national and local environmental legislation wherever we operate. In addition, we attempt to reduce our consumption of resources and apply positive environmental practices in our operations wherever possible. This includes:

- **Reducing environmental impacts** through increased efforts in environmental projects
- **Including environmental considerations** in our business decisions
- **Compliance with all laws and regulations** relating to environmental protection
- **Defining targets** to track and improve environmental impacts
- **Involving our employees** in the achievement of our environmental objectives

Each Ness subsidiary manages its own environmental impacts on a local basis, driving performance and activities in line with the local regulatory frameworks, business size and activities, and compatibility with other activities. For example, Ness Israel has an Environmental Steering Committee led by the Company Logistics Manager who reports to a member of the Executive Committee. The Committee focuses on managing Ness's recycled waste project for electronic waste, raising employee awareness, green communications to employees and improving practices for reducing water, energy and paper consumption and waste reduction.

Environmental Impacts



Ness India: Environmental Protection

Ness Bangalore employees took the pledge to reduce their carbon footprint and contribute to World Environment Day. Many supported the cause by walking to the office, riding a bicycle, using public transport or car-pooling to the office. We organized poster campaigns to encourage more eco-friendly habits. In Mumbai, Ness employees continued the 'Save Electricity' campaign in which

office lights are switched off for half-an-hour once a week to save electricity. Ness Mumbai also organized a photography contest to educate people about the importance of environmental conservation.



Ness Israel: Environmental Performance

Energy Consumption: All water, lighting and electricity supplies in Ness Israel offices have been fitted with control meters to reduce consumption. Computers are shut down automatically at 20:00 each day and air-conditioning is shut down three times daily. Additionally, computers are configured to move into auto-sleep mode when not in use and Ness continues to expand its virtual environment reducing the number of servers in operation and therefore reducing energy for cooling. In 2012, we reduced absolute electricity consumption by 3% and by 2% per employee basis, from approximately 6.7 million kwh in 2011 to 6.5 million in 2012.

Water Consumption: In Israel, we continue to monitor our water consumption and employ water-saving devices in restrooms and kitchens.

Electronic Waste: In 2009, Ness Israel initiated the establishment of an electronic waste recycling and disposal center in the Atidim Business Park where Ness Headquarters are located. The center continues to operate and provide a service for the companies operating in the Business Park. In 2012, we sent more than one thousand units of electronic waste for recycling.

Fuel Efficiency: Each quarter, we publish manuals for drivers on safety and gas consumption efficiency and train our staff on how to save fuel while driving. Last year, for the first time, we began to measure and track fuel consumption rates of company vehicles. This has resulted in improved fuel efficiency with a 5% increase in kilometers traveled per liter of fuel from 14,937 Liters per km in 2011 to 14,290 Liters per km in 2012.

Paper Recycling and Consumption: In 2012, 3,910 kg of paper waste was collected from Ness sites for recycling. All our office waste is recycled as part of an arrangement with the non-profit organization "Malraz." "Malraz" is the first environmental NGO founded in Israel to address environmental damage and employs people with special needs whom collect and sort office waste.

This year, we also made changes that led to reduced paper consumption. All personal printers in each employee office were replaced by central printers requiring personal codes for access. This change helped decrease paper consumption by 12% in 2012.

Employee Engagement: We organize trips for our employees and their families to raise awareness about the environment and the consequences of pollution. This year, 280 employees and their family members participated in tours to the Israel Sea Turtle Rescue Center to learn about the natural habitat of sea turtles, their risk of extinction and the importance of keeping beaches clean.

Ness employees and their children helped to clean up polluted beach areas and visited the rehabilitation center where affected turtles recover from waste pollution.

In addition, on Earth Day 2013, 40 Ness employees and their families engaged in an Israel Parks Authority activity which allowed the children to play an active role in preserving the environment through exercises teaching them how to protect their natural habitat. The trip culminated in a trivia game and a symbolic swearing-in ceremony of the children as environmental protection wardens.



The children of Ness employees being sworn in as environmental wardens

Bringing sustainable transportation to our business park

Recently, the Tel Aviv-Yafo Municipality provided us with an opportunity to demonstrate our commitment to sustainable transportation. Tel Aviv-Yafo (Israel) along with Brno (Czech Republic), Malaga (Spain), and Stuttgart (Germany) became partner cities through the EU CIVITAS-funded project, '2MOVE2.' As part of this project, the Tel Aviv-Yafo Municipality and the Technion (Israel Institute of Technology) are developing a new transportation model for high-density employment areas to encourage the use of sustainable transportation modes such as shuttles, bicycles, walking and car-sharing. The Municipality hopes to decrease the use of private vehicles by 10% through this project with the goal of reducing its carbon foot-print and saving employees both time and money.

The pilot will be implemented at the Atidim Business Park, the business complex where our headquarters are located. Atidim Business Park is unique in Tel Aviv as it is a high-density employment center with over 3,500 employees and expected to double in size by the end of 2014. We are the largest employer in the Park with over 1,000 employees.

"Ness was first to join the sustainable transport initiative and we are encouraged to have Ness Technologies supporting this project." **Eyal Shavit, Business Development Manager at Tel Aviv-Yafo Municipality**

So far, the project has studied the transportation means and needs of the Atidim Business Park employee community. We were the first company to conduct an internal survey regarding employee travel habits and the potential for using different kinds of transport. The new model will be revealed in 2014 and will be promoted in Atidim Business Park.

Ethical Conduct and Anti-Corruption

Principle 10:
Businesses should work against corruption in all its forms, including extortion and bribery

Our Approach

We place utmost importance on operating in compliance with all the laws and regulations of the countries in which Ness does business, and maintaining an ethical approach to all that we do. In addition to observance of the law, Ness operates in accordance with Ness's global corporate Code of Business Conduct and Ethics which can be downloaded here: http://media.corporate-ir.net/media_files/irol/17/179905/Ness20081209.pdf

The Code of Business Conduct and Ethics was updated during 2010 to include a specific clause referencing Ness's Corporate Responsibility and the responsibility of all employees to support Ness in being a good corporate citizen through their daily work. All Ness employees are asked to sign their confirmation to upholding this Code as part of their Employment Contract when they join the Company. Ness employees worldwide are trained in the content of the Code of Business Conduct and Ethics and its relevance for their role in the using an interactive e-learning module, specially developed to meet our specific business culture and needs.

Ness invites complaints regarding our business conduct and ethical behavior of our employees to Managers in the Company or via the Executive Vice President of Human Resources or the Chief Legal Officer and Secretary. Anonymous complaints are treated with the highest level of attention.

Anti-Corruption and Risk Management

In 2011, in order to support robust adherence to anti-corruption policies, we established our Anti-Corruption Compliance Program and appointed a Compliance Officer at corporate level, and local Compliance Officers in different divisions. Our Compliance Officer reports quarterly to Ness Board of Directors. Our Board of Directors conducts an annual review of the implementation of the Anti-Corruption Compliance Program and provides instruction or guidance for ongoing activity. The role of the Compliance Manager is to respond to any compliance issues raised and address Code of Ethics issues that relate to anti-trust matters. Every alleged breach of our compliance and anti-corruption policy is investigated, and remedial and preventative measures procedures are established. In 2012, our Compliance Officer addressed policy issues relating to conflict of interest regarding hospitality and giving and receiving gifts.

Our anti-corruption policy is published on our intranet and all employees are directed to review its provisions. Senior Management, as well as new employees in high-risk departments including Marketing, Sales, Finance and Procurement, sign a letter confirming they understand and will adhere to anti-corruption policy. In 2012, we initiated a tracking system that scores each business division on its anti-corruption policy compliance level. Divisions which achieved low scores are required to undertake corrective measures and improve compliance performance.

About this Communication on Progress

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



Contact Information

Ness Technologies
Atidim Industrial Park
P.O.Box 58152
Tel-Aviv 61580
Israel
Tel: +972-3-766-6800
Fax: +972-3-766-6809

www.ness.com

Contact Person:

Sigal Deutsch
Sigal.Deutsch@ness.com
VP Corporate Relations
Tel: +972- 3-767-5187

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

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