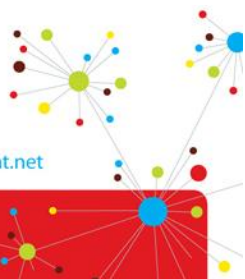


United Nations Global Compact **Gilat Satcom** Communication on Progress – 2011



General Information

Statement of the company's chief executive (CEO or equivalent) expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.

The following report is Gilat Satcom's first "Communication on Progress" (COP), which provides a summary of Gilat Satcom's initial activities in relation to implementation of the UN Global Compact's Ten Principles. As will be seen from the contents of this report, Gilat Satcom is firm in its commitment to maintaining these principles on an on-going basis and has actively commenced relevant activities.

The following is the initial statement (21 September 2010) to H.E. Mr. Ban Ki-moon, prepared by Mr. Roy Hess, CEO of Gilat Satcom expressing a total commitment to introducing and maintaining the concepts and spirit of the UN Global Compact.

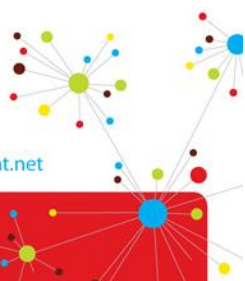
"I am pleased to confirm that Gilat Satcom Ltd. supports the ten principles of the Global Compact with respect to human rights/ labour, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Gilat Satcom Ltd. will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy."



Dan Winter, the incumbent CEO of Gilat Satcom, has stated:

"Our commitment to the 10 principles of the UN Global Compact is well-aligned with Gilat Satcom's core values and our corporate vision. It is simply part of how we act and operate each day. We are presently ensuring that full implementation of the ten principles of the Compact is effectively completed within the coming year."



Human Rights Principles

- **Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights**

For Gilat Satcom this means actively encouraging respect for human rights among our staff, suppliers, and subcontractors.

- **Principle 2 - Make sure that they are not complicit in human rights abuses**

For Gilat Satcom this means ensuring that our staff members maintain the highest principles of personal and professional conduct.

Assessment, policy and goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

Relevance of Human Rights for Gilat Satcom

Gilat Satcom is relatively new to the UN Global Compact. It became a signatory only in 2010 – just one year ago. We have come a long way in one year and Gilat Satcom is proud to have taken a principles-based initiative that aims to influence our relationships with our staff, our suppliers, our subcontractors, and our customers. The Global Compact's ten principles are becoming the basis for Gilat Satcom's value system. Participation in the Global Compact is a way of demonstrating our commitment to actively advancing the business agenda in a positive and social-minded fashion.

Gilat Satcom operates in more than 20 countries in Africa, Asia, Middle East and Europe. Some of these markets present real challenges to human rights issues. Gilat Satcom is committed **not** to partner with any organization that has been identified as involved in human rights abuses. We approach relationships with our clients in this same way. We always try to assess the possibility of violation of local laws in regard to human rights issues. We obviously cannot actively enforce such statutes and regulations but we can refuse to cooperate with companies that fail to respect their employees and the general populations in the area.

Policies, Public Commitments and Company Goals

The ethic policies that the management of Gilat Satcom has confirmed affirm our commitment to human rights and our recognition that positive business practices can have a real influence on the way local organizations approach issues related to human rights. We are committed to oppose and avoid involvement or complicity in the violations of human rights.

Since signing the UN Global Compact, we have increasingly attempted to apply internationally proclaimed human rights into our business operations, and we **are** starting to develop corporate guidelines address risks of complicity.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

Gilat Satcom is a novice in issues dealing with human rights. During the past year we have taken concrete steps to begin educating our staff in identifying and reacting to human rights issues. We have set up a permanent management-workers committee which meets periodically to discuss the advancement of issues dealing with activities we encounter in our daily contacts with subcontractors and suppliers throughout the world. We are setting up a mechanism by which staff will be able to report on such violations.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

As previously stated, we are establishing a permanent management-workers committee to advance issues dealing with activities we encounter in our daily contacts with subcontractors and suppliers throughout the world. We are setting up a mechanism by which staff will be able to report on such violations.

The Gilat Satcom Human Rights Department has been given the task of follow up and supervision of any complaints pertaining to human rights violations. They will perform a gap analysis on our human rights performance.

On the long range, Gilat Satcom plans on developing a Code of Business Ethics and a Supplier Standards of Conduct which we hope will be available by the end of 2012.

Labour Standards

- **Principle 3 - Businesses should uphold freedom of association & effective recognition of the right to collective bargaining**
For Gilat Satcom this means full respecting and protecting our employee rights.
- **Principle 4 - The elimination of all forms of forced and compulsory labour**
For Gilat Satcom this means having zero-tolerance for all forms of forced and compulsory labour.
- **Principle 5 - The effective abolition of child labour**
For Gilat Satcom this means objecting to any type of compulsory or child labour and terminating relations with any organizations that illegally employs children.
- **Principle 6 - Eliminate discrimination in respect of employment and occupation**
For Gilat Satcom this means promoting diversity in our workplace and supporting the employment of minority groups.

Assessment, policy and goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

Gilat Satcom actively promotes a cooperative and productive work environment by supporting the cultural and ethnic diversity of its workforce and – in compliance with Israeli law – is committed to providing equal employment opportunity to all qualified employees and applicants. Gilat Satcom does not discriminate based on race, color, sex, sexual orientation, religion, national origin, marital status, age, disability, or veteran status. Our Human Rights department takes allegations of harassment and unlawful discrimination seriously and addresses such concerns in the most proactive fashion.

Before we enter into agreements with subcontractors and suppliers, we conduct audits to check for quality, social and environmental accountability, and supply chain security. We audit our suppliers on a regular basis, conduct periodic review meetings to discuss their performance, and have escalation procedures that we can implement if compliance issues are not resolved.

Implementation

Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.

The following are UN Global Compact issues which Gilat Satcom has identified as central in regard to our own employment policies and those of our subcontractors:

- Forced, bonded, or compulsory labour is not used and employees are free to leave their employment after reasonable notice.

- Employees are treated with respect and dignity. Physical or verbal abuse or other harassment and any threats or other forms of intimidation are prohibited.
- Negative discrimination including racial or sexual discrimination is prohibited.
- Employees are explained their employment conditions and fair and reasonable pay and terms are provided.
- Working hours of employees comply with national laws and are not excessive.
- As far as any relevant laws allow, all employees are free to join or not to join trade unions or similar external representative organisations.
- Children (persons under 18 years) are not employed for any hazardous work, or work that is inconsistent with the child's personal development.

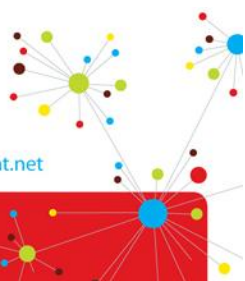
Measurement of outcomes

Description of how the company monitors and evaluates performance.

Our Human Rights department is responsible for all labour-related violations. It takes allegations of harassment and unlawful discrimination seriously and addresses such concerns in the most proactive fashion.

Before we enter into agreements with subcontractors and suppliers, Gilat Satcom conduct audits to check for quality, social and environmental accountability, and supply chain security. We audit our suppliers on a regular basis, conduct periodic review meetings to discuss their performance, and have escalation procedures that we can implement if compliance issues are not resolved.

Our Human Rights department plans to review all company procedures to ensure they do not inadvertently discriminate or present barriers to employment due to discrimination.



Environment

- **Principle 7 - Businesses should support a precautionary approach to environmental challenges**

For Gilat Satcom this means ensuring that our staff understands their individual and collective impact on the environment especially in regard to issues relevant to exposure to radiation.

- **Principle 8 - Undertake initiatives to promote greater environmental responsibility**

For Gilat Satcom this means promoting environmental responsibility among our staff members – in the workplace and in the home environment.

- **Principle 9 - Encourage the development and diffusion of environmentally friendly technologies**

For Gilat Satcom this means encouraging the use of environmentally friendly technologies by our suppliers and subcontractors, and supporting activities promoting alternate technologies.

Assessment, policy and goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

Gilat Satcom is committed to the idea that people can work together to improve the environment. Our goals are to reduce any negative impact of our operations and the products we deploy and to drive responsible environmental leadership.

Gilat Satcom is committed to phasing out substances in already-deployed hardware that pose a risk to human health or the environment. We try to restrict the use of such substances.

Gilat Satcom is actively trying to reduce exposure to radiation at customer sites.

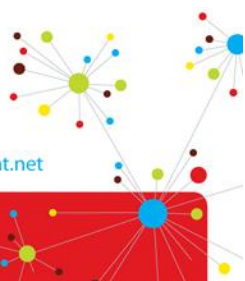
We believe that acting preventatively to reach a sustainable use of natural resources and a sound environment creates better products.

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

Gilat Satcom complies with all Israeli environmental legislation, most of which applies to the administration of our main office building. Gilat Satcom maintains a cross-company waste paper and battery recycling programme. The following issues are regularly raised with staff:

- Print only when necessary
- Use of recycled paper
- Use of draft settings for printing as much as possible



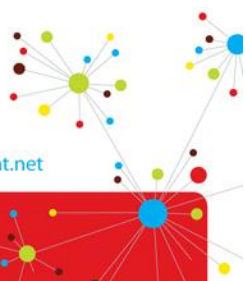
- Switch lights and IT equipment off overnight
- Avoid using disposable coffee cups, plates, and cutlery
- Use of water filters instead of plastic bottles
- Sending used plastic bottles and metal cans for recycling

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Over the past year management has initiated conversations with employees about how to develop new strategies for environmental awareness. These include:

- Savings on printing and paper
- Saving electricity
- Using regular coffee cups, etc. rather than disposable items
- disposal of used plastic bottles and metal cans for recycling in special containers



Anti-Corruption

- **Principle 10 - Businesses should work against all forms of corruption, including extortion and bribery**

For Gilat Satcom this means that all staff members always take care to act with total integrity.

Assessment, policy and goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

Gilat Satcom will not tolerate any form of bribery or corruption. Every employee is expected to maintain basic ethical conduct and environmental practices.

Corruption is a major obstacle to economic and social development. Gilat Satcom is committed to observing the principles that are set forth in the UN Global Compact, and to ensure full compliance with the anti-corruption and anti-money laundering laws of the countries in which it operates.

Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

Gilat Satcom has taken a firm stand in regard to corruption in all forms. Diligent assessment of corruption risks is integral to conducting successful operations throughout the world and our staff is fully aware of the implications involved.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Our employees are expected to monitor and evaluate anti-corruption performance within the company and in our professional relations with suppliers, subcontractors, and customers.