Your Partner for Growth

Advancing Sustainable Connectivity

ECI Telecom

Sustainability Report 2012

www.ecitele.com

This report is in accordance with the Global Reporting Initiative Sustainability Reporting G4 Guidelines at CORE level.

Contents

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Pradeep Bomble - R&D,V&V Protocol, ECI India

This report is illustrated with photographs taken by ECI Telecom employees in India in our India Green Camera competition, 2012.

About this Report

This is ECI Telecom's second Sustainability Report covering the role that we play in society as a global business, our business activities, and our impacts on people, communities and the environment. The report describes our approach to sustainability and the actions we have taken during 2012 to advance responsible and accountable practices. Data in this report relates to the 2012 calendar year unless otherwise stated. Relevant information and case studies from early 2013 are also included. The scope of this report is all of our global business operations owned by ECI Telecom. External operations at sub-contracted vendors are excluded. We intend to continue to publish such a report every year.

We self-declare this report to be
In Accordance
with the
Global Reporting Initiative

G4

Sustainability Reporting Guidelines

In developing this report, we have considered input from our stakeholders, gathered throughout the year in a wide range of interactions. The selection of content for this report was the result of a revised materiality process to determine the priority impacts of our business and stakeholder interests and several interviews with managers around the world. The basis for data calculations is noted in the relevant sections of the report.

This report has been written in accordance with the Global Reporting Initiative (GRI) G4 sustainability reporting guidelines, at core level, which we believe represent the most advanced sustainability reporting framework available today. The Global Reporting Initiative is a not-for-profit multi-stakeholder organization which acts to increase the level of business transparency through sustainability reporting among companies throughout the world. The main tool for assimilating sustainability reporting is the GRI reporting framework, which contains detailed guidelines for reporting on sustainability impact and provides a consistent structure that thousands of companies around the world can use to disclose their approach and performance related to sustainability. Over 7,000 sustainability reports were published in 2012 by companies all over the world, many of them using the GRI framework. The most recent version of the GRI framework, G4, was launched in May 2013. For more information, please see: www.globalreporting.org.

Feedback

We hope this report will serve to encourage dialogue between ourselves and our stakeholders, especially our customers, suppliers and employees. We welcome your feedback, queries and suggestions on any aspect of our sustainability performance impacts and performance. Please contact Eynat Rotfeld, CSR Manager by email at Eynat.Rotfeld@ecitele.com or by telephone: +972-3-926-6507.

Sanjeev Dudhavadkar – GSM, CFC ECI India

Greetings from our President and CEO

In our first Sustainability Report, we talked about the transformational possibilities that bandwidth offers. In this second Sustainability Report, we focus on sustainable connectivity, which is the outcome of successful bandwidth development and deployment. Connectivity is the result of our efforts to continuously innovate, integrate and provide the solutions that our customers need in a dynamic and constantly evolving world. Sustainable connectivity is what results when we at ECI Telecom do our job well.

For this reason, we are always customer-focused. We maintain a finger on the pulse of our rapidly developing digital environment and the changing needs of customers. We bring value-added solutions and services which help customers be competitive and stay ahead of the game. When our customers are satisfied, so are we. And, we are happy to note that our customers are satisfied, as our 2012 Total Customer Experience Survey proves, with customer loyalty rates that are higher by several percentage points than our competitor companies. While this is a cause of satisfaction, it remains a responsibility, and we work hard each day to meet and exceed customer expectations. In many cases, our customers push us to do more, and we appreciate this.

Our responsibility is not only to customers. It is, of course, to all our stakeholders and that is the essence of our sustainability approach. Our employees, business partners and suppliers, shareholders, regulators and members of the local communities in which we operate, all deserve our best efforts to improve our impacts on people and the environment. We do our upmost to conserve resources, build a supportive and empowering organizational culture and engage our suppliers in true partnerships for shared beneficial outcomes. We can note some successes to date, especially in our environmental performance. For example, we have reduced energy consumption per person employed by 32.85% in the past five years.

As ever, the difficult economic environment in many countries around the world challenges our customers, and therefore our business. Our marketplace is highly competitive and our success depends on our finding the right solutions to help customers rise beyond economic challenges. In 2012, we maintained our market share, expanded operations in some markets and entered new geographies. As we continue in 2013, we remain both vigilant and responsive, and look forward to improving and expanding our offering with new and better solutions. As we write, we are engaged in a strategic acquisition of the exclusive rights to develop, manufacture and market Orckit-Corrigent's Packet-Transport Network superior next-generation platform that will allow us to save time and resources while gaining advanced capabilities .I believe we make an important contribution to society by advancing sustainable connectivity, and we have much more to do. I hope you will find interest in this report on our performance during 2012. As always, we welcome your views.

Darryl Edwards, President and CEO

About ECI

Founded in 1961, ECI Telecom Ltd, headquartered in Israel, is a privately-owned provider of network and access solutions for digital communications networks. We design, develop, manufacture, market and support digital telecommunications solutions for voice, data, video and multimedia services. We serve over 250 customers, mainly wireline and wireless service providers worldwide, through an international sales force, local agents and resellers in over 25 regional sales and service centers and a network of resellers in over 70 countries. At the end of 2012, we employed over 2,000 people in over 25 countries.

Sales breakdown & main customers

Corporate HQ in Israel
Regional HQs in the US, Germany, India and Singapore

Over 25 sales offices in all continents

R&D centers
Israel, China, India

Over 100 partners in all continents
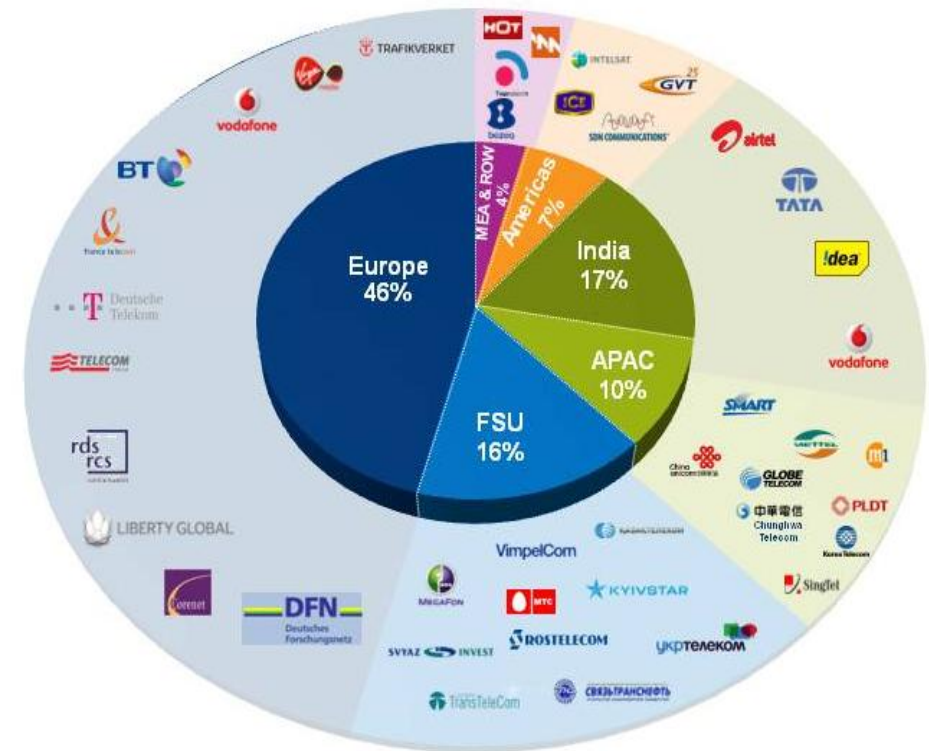
Our Values

ECI Telecom employees share five basic values:

Respect for the Individual: We treat one another with respect and dignity, appreciating individual, cultural, and national differences. We seek to learn and therefore we listen to one another attentively and compassionately and communicate often and openly. Recognizing that valuable ideas can come from anyone regardless of level or position, we encourage individuals to express their views and use their talent to the fullest. Company policy prohibits discrimination against employees, stockholders, directors, officers, customers or suppliers on account of race, color, age, sex, religion or national origin. All persons are treated with dignity and respect.
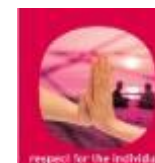
Team Spirit: At ECI, our team spirit binds us together, transcending organizational, functional, and geographic boundaries. We work hard towards a common goal and deliver beyond expectations. We cooperate, collaborate, and empower one another in recognition that a global effort translates into exceptional solutions and services.

Innovation: We constantly strive to redefine the standard of excellence in everything we do. We are open to ideas that challenge the convention, seek diversity of views and drive innovation. We encourage both individuals and teams to constantly search for innovative technologies and creative business solutions and recognize their achievements.

Integrity: We are committed to conduct ourselves in a manner consistent with the highest standards of integrity. We are honest, ethical, and fair in all our activities. We keep our word, deliver on our promises, and acknowledge our mistakes. Our personal and business conduct ensures that ECI is a company worthy of trust.

Our Customers: We are dedicated to creating value for our worldwide customers by developing and providing technologically advanced solutions and services. We build lasting relationships with our customers by listening, understanding, and anticipating our customers' needs. We are easy to do business with and always strive to be responsive and professional. ECI customers can trust our commitment to their success.

The driving force behind these values is the ECI's One Company One Team organizational pillar. In all activities, we conduct ourselves respectfully to promote these values and lead ECI to long-term, sustainable success and create opportunities for achievement and benefit to our stakeholders.

Creating value

We create value for our shareholders and our stakeholders throughout our value chain and global supply network, achieving profitable business growth and making a valuable economic contribution where we do business. We maintain a network of local subsidiaries in order to remain close to our customers and understand their needs, partnering with them to grow their offerings competitively in their local markets. We employ over 2,000 people directly, and hundreds more who are engaged in the manufacture and supply of our components through our turnkey outsourcing operations in Israel and China, and other suppliers in local markets. Ultimately, ECI Telecom's contribution is to enable sustainable connectivity for hundreds of millions of consumers around the world.

Technology Development	Suppliers	Supply Chain Network	Customers	End-Users
R&D for technology and product development to meet customers' new bandwidth challenges and enhance their sustainable capabilities.	Partnering with suppliers around the world to source products and services	Manufacture, Logistics and Distribution Solutions → Products → Services →	Serving wireless and wireline Communications Service Providers around the world.	Through our customers, enabling millions of end-users around the world to enjoy enhanced connectivity possibilities and transform the way they live and work.

Our sustainability dashboard

Performance:	Target 2012/2013	2012*	2011*	2010*	2009*
Customer service – overall satisfaction in global survey	>94%	91.6%	-	-	90.8%
Supply chain audits of key suppliers	8	10	3	N/A	N/A
Female % employees	25	23	22	No data	No data
Female % managers	20	20	17	No data	No data
Lost time injury rate	0.015	0.08	0.03	0.24	0.15
Lost time day rate	0.020	0.014	0.028	0.096	0.086
Absenteeism rate	<2.5%	2.5%	2.5%	No data	No data
Volunteer hours	=	9,500	8,577	8,484	6,960
E-tasc score	97%	97.2%	96%	94.3%	90.3%
CO_2 emissions (Scope 1&2)	-10%	-15.6%	-16.6%	+1%	-4%
CO_2 emissions (Scope 3)	-5%	-43%	-12%	No data	No data
Energy consumption	-10%	-19.6%	-13.3%	-1%	-4%
Water consumption	-5%	-3.4%	-2%	-1%	-11%
Waste to landfill	-5%	-69%	-39%	-27%	-17%
Waste recycled (as % of total waste)	-10%	26%	17%	13%	11%

*Comparative data is referenced to prior year's performance.

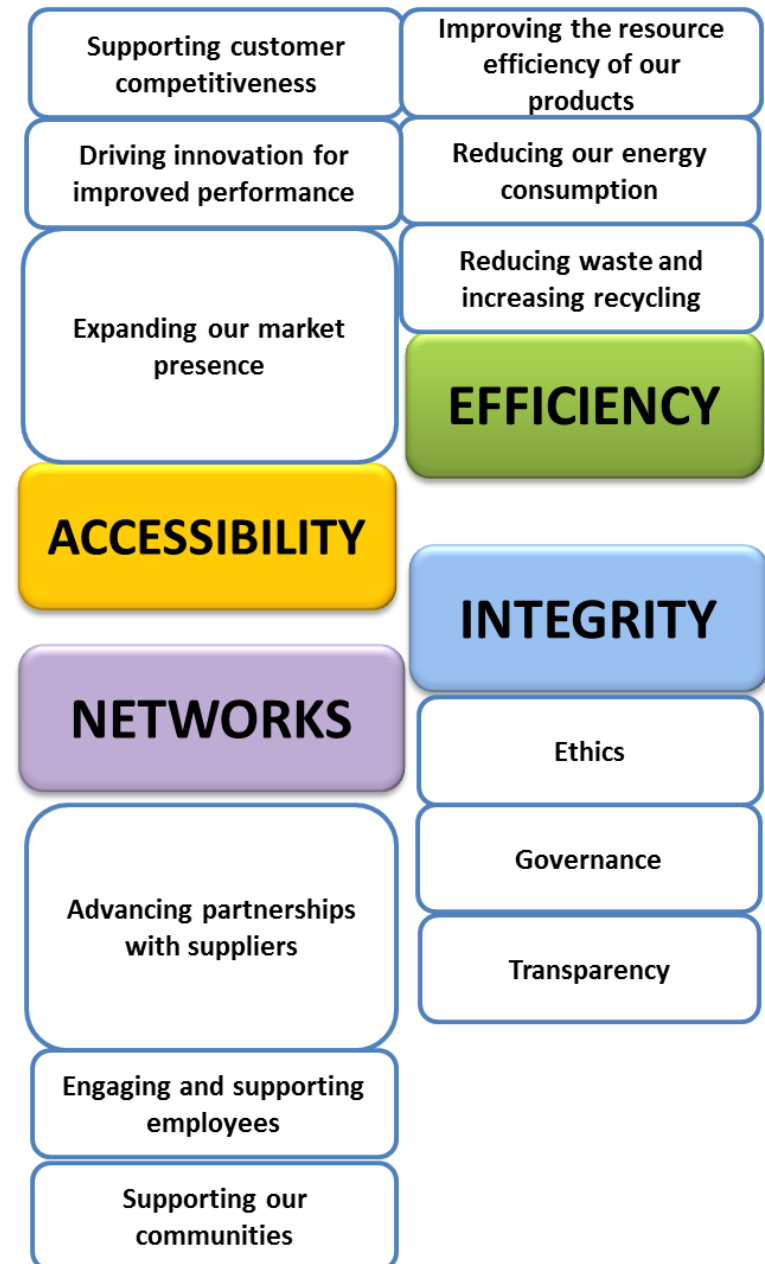**Chirag Nayak – R&D,V&V Data, ECI India**

Map of priority sustainability issues for ECI Telecom

This year, in line with the spirit of the new G4 Global Reporting Initiative sustainability reporting framework, we made a thorough assessment of the sustainability issues which affect our business and our stakeholders. This was conducted in three phases:

First, we performed a comprehensive scan of all potential sustainability issues, including those specifically affecting our sector, using a wide range of sources including the UN Global Compact, the Global Reporting Initiative, sustainability reports of other telecommunications companies around the world and leading sector initiatives such as the Global e-Sustainability Initiative (GeSI). Also, in this review, we included feedback from our stakeholders gathered in our interactions with them throughout the past year. This yielded a list of over 50 issues, which reflect the scope of sustainability impacts and implications for ECI Telecom's business and for our stakeholders.

Second, we made an internal assessment of these issues in order to prioritize the ones we feel reflect the most important and significant impacts. This yielded a list of 29 issues.

Third, we held a meeting of our CSR Committee in which we discussed sustainability drivers, stakeholder interests and business strategy, and reviewed these 29 issues in this context. The outcome of this review produced a list of 12 top priority highest-impact sustainability issues. We organized these issues in the context of our sustainable connectivity business strategy and present them in this report in four sections: Accessibility, Efficiency, Networks and Integrity.

Supporting customer competitiveness

Improving the resource efficiency of our products

Driving innovation for improved performance

Reducing our energy consumption

Expanding our market presence

Reducing waste and increasing recycling

EFFICIENCY

ACCESSIBILITY

INTEGRITY

NETWORKS

Ethics

Governance

Advancing partnerships with suppliers

Transparency

Engaging and supporting employees

Supporting our communities

Sustainable connectivity: Accessibility – Networks – Efficiency – Integrity

Sustainable connectivity refers to the way in which we innovate to develop new connectivity options for our customers so that they will be more competitive in their local, regional and global marketplaces. We expand accessibility and enhanced digital options to more people around the world for faster, more efficient, more aligned and more advanced communications solutions.

The appetite for broadband access around the world continues to grow. As technology advances, more and diverse use of services such as video streaming, connectivity across multiple devices, internet-based voice connections (VOIP), and unprecedented usage of social media and online options for communications, news, commerce, management of a range of interactions for diverse purposes, mean that infrastructure needs to become more extensive and work faster and more efficiently.

Increasingly reliable and efficient broadband access is the key to sustainable connectivity.

This is the heart of ECI Telecom.

Pradeep Bomble - R&D,V&V Protocol, ECI India

Sustainable Connectivity: Accessibility

Accessibility is the primary sustainability outcome of our business activities. The network solutions we create, the infrastructure we put in place, the partnerships we develop with our customers and the expansion we achieve in a range of markets does one thing. It enables access to sustainable connectivity. This is important because broadband communications is the route to sustainable economies, both because of the tools broadband provides for organizations and individuals, and also because of the efficiencies created through use of digital networks. Innovative technology can enable sustainable lifestyles in areas such as housing, health, mobility, communication and education and greatly enhances business productivity and supply chain transparency. In addition, research has shown that ICT-enabled solutions offer the potential to reduce global greenhouse gas emissions by 16.5% though increased use of video conferencing to replace travel and smart building management to reduce power consumption (GeSI).

We advance accessibility in three ways:

Working with customers to provide the optimal network solutions to help them become more competitive in their own markets, by taking advantage of lower cost structures and enhancing the range of their offering to end users.

Continuously investing in R&D to bring our customers innovative solutions with improved broadband speeds, network integration, and possibilities for new user experiences.

Expanding our market presence to reach new markets that enable our customers to connect wider populations to existing and new technologies.

In this section, we provide examples of how we are making an impact through expansion in existing and new markets with innovation and implementation of integrated network solutions.

Supporting customer competitiveness

Driving innovation for improved performance

Expanding our market presence

Category : Economic
Aspect: Indirect Economic Impacts
Disclosure: G4-EC8

Category : Economic
Aspect: Market Presence
Disclosures: G4-EC6

Category : Product Responsibility
Aspect: Product Service and Labeling
Disclosures: G4-PR5

Market Presence: improving infrastructure in Togo

Togo is a country in Western Africa with a population of just over 7 million people. Most of Togo's commercial and business activity is centered in the capital city, Lome, in the south, though over 60% of the population live in non-urban, often remote, areas throughout the country. Communications infrastructure is still in its early stages in Togo, compared to Western countries, and the costs of connectivity are high. Togo has just 363,000 internet users, making Togo the 123rd country in the world in terms of digital connectivity, and just over 3 million cellphones, ranking 126th in the world for mobile communications. (CIA World Factbook)

Advanced connectivity is a basic condition for improving the quality of life in Togo. Expanding access to broadband digital services, which can enhance productivity and competitiveness of the country, is a strategic sustainability priority.

ECI Telecom has supported Togo Telecom, the main state-owned fixed line communications operator for over five years, helping create the developing communications infrastructure in Togo. We view our presence in Togo as an example of sustainable shared value, as we work with Togo Telecom to create next generation networks, planning solutions and implementing turnkey projects. In order to effectively provide support at a local level, we have established our own ECI Telecom offices in Lome and employ a team of 10 Togolese staff, and engage several local contractors to support the construction of telecoms cabinets and other infrastructure elements.

In 2012, we continued to implement our multi-year turnkey program to provide a fiber optic broadband digital platform which connects the entire country to a spine of central communications to provide more affordable, fast access to the Internet to more people in the country.

"Five years ago, when we started working in Togo, the cost of internet access was around US$200 per month for speeds of up to 1Mbps. The cost today for improved internet connectivity and higher speeds is less than half of that, enabling far greater accessibility. Through our work, we are pleased to help our partners in Togo join the digital revolution." **Erez Zelikovitz, ECI Telecom**

Market Presence: our commitment in the Philippines

We have been present in the Philippines for over 20 years and were one of the very first companies to support the establishment of a communications infrastructure in this country, enabling millions of local individuals and enterprises to enjoy advanced connection speeds and reliability of data transfer. We serve the major telecom companies, cable operators and utilities companies in the Philippines, providing core networks which are the backbone of the local communications infrastructure. In the past few years, we have rolled out our Wireless Backhaul multi-layer network management system which allows telecom operators to upgrade their wireless networks to meet increasing demand without changing their entire infrastructure, providing both flexibility and minimal incremental upgrade costs.

We operate in the Philippines though our local office, which employs over 40 local people. Our commitment to the local market also extends to our supply network, and we produce electronic components locally, engaging a number of local suppliers. We have completed many trials with our customers for new services in the area of eLearning, eHealth and other possible opportunities that will benefit from sustainable connectivity to improve the quality of communications and the quality of life.

In 2013, the Israel Chamber of Commerce of the Philippines (ICCP) was created to increase three-fold Israeli investments to the Philippines within the next three years by fostering greater cooperation among its members and strengthening bilateral connection with various industries. As a major partner committed to the growth of commerce in the Philippines, we are playing an important role in helping the ICCP make a meaningful impact. Moti Guthartz, ECI's Head of ECI Telecom Philippines, is a member of ICCP's Board of Trustees.

"We are a brand-name here in the Philippines. We are integrated into local life, employ local people and get involved in the local community. ECI Philippines is well-known in our field. We work with major communications service providers with tens of millions of subscribers, and our technology powers most of the call-centers in this country. With a record of providing the best and most attentive service, we are committed to empowering the best opportunities for growth and connectivity to our customers in this country." **Moti Guthartz, ECI Telecom Philippines Inc.**

Market Presence: connecting the people of Westminster

In 2013, ECI Telecom was selected by Horsebridge Network Systems as their technology partner in the rollout of an advanced fiber-to-the-home (FTTH) project in the City of Westminster, London, United Kingdom.

Horsebridge is installing high-speed fiber optic communications in more than 22,000 homes in the City of Westminster over the next three years. This infrastructure will enable the delivery of digital television, high speed internet, and voice services.

The City of Westminster occupies an area of 21.5 km^2, and is home to 220,000 people. It is located in central London, and many of the most significant tourist, economic and political sites associated with London are within the City's limits. Our solution is particularly attractive to municipalities who are looking to bridge the digital divide with FTTH solutions, and offer their residents advanced television, cable, data and voice services. ECI and Horsebridge have been working together for the past five years, delivering next-generation access and transport networks for several projects in the United Kingdom.

"Currently, more than one in four of our tenants do not have access to internet at home. I welcome the first phase of this new initiative as it furthers my commitment to addressing digital deprivation in the city, and will improve the lives of our residents. The households taking part will be able to gain free access to a range of government websites. Boosting the availability of services to our residents will transform many lives and bolster employment opportunities." **Jonathan Glanz, Westminster City Council's Cabinet Member for Housing**

"Local governments and municipalities recognize the challenge of closing the digital divide that exists today in many urban, suburban and rural areas. ECI and Horsebridge are successfully delivering a cost-effective fiber-to-the-home solution that can suitably address this issue. The City of Westminster will enjoy the close relationship between ECI's next-generation access technology and Horsebridge's extensive experience in building telecom networks for the ultimate benefit of its residents." **Sorin Lupu, President of Sales & Marketing, ECI Telecom**

Innovation: Israel's first 100G optical network

100 gigabit (100G) fiber optic networks are the most advanced technology options available today, offering fastest and most efficient broadband network connections. In many countries, 100G infrastructure is just getting started, and even through the technology is available, implementation is complex and can take a long time. That's why, in Israel, we were excited to advance a pilot project to test the performance and reliability of our Optimized Multi-Layer Transport (OMLT) platform in what is considered to be a true technological breakthrough.

The Israel Electric Company (IEC) has been a valued customer of ECI Telecom for many years. As the primary provider of electricity to Israeli households, IEC has a pilot network of fiber optic cables which reach homes in Israel for electricity supply. The idea was to extend existing cables to create a Fiber-to-the-Home (FTTH) program to supply internet connectivity at high broadband speeds directly to consumer homes. The big advantages here are both efficiency of resources and also enabling true 100G connectivity, which, via copper or cable networks, has never been achieved so far in this country.

Working with IEC, we supported a feasibility trial using our Apollo Optimized Multi-Layer Transport (OMLT) platform to conduct the trial on a single wavelength over IEC's existing network across 280 km, without the need for additional cables or peripheral equipment. The trial was a great success, enabling error-free traffic transmission for over 72 hours with no interference and establishing feasibility for national rollout as required.

"This 100G trial represented a technological leapfrog for the IEC, as we are able to expand and provide next-generation broadband services over the most advanced optical infrastructure. With ECI's Apollo OMLT, we are better able to cope with our increasing needs for capacity and to respond to our organizational and our customers' demands for more bandwidth and services. The success of the trial has further emphasized the high quality of the IEC fiber optic network and its ability to transport new high end capacity services without any changes to the existing infrastructure."
Yosi Shneck, VP Information Systems and Communication, IEC

Innovation: recognition from our market

In mid-2012, TMC, a global, integrated media company helping clients build communities in print, in person and online, named our Apollo Optimized Multi-Layer Transport (OMLT) platform as a recipient of a 2011 Communications Solutions Product of the Year Award. The Communications Solutions Product of the Year Award acknowledges the most innovative products that facilitate voice, data and video communications, or combinations of them. This award is given to companies that have shown vision, leadership, and thoroughness.

 "The products and services selected for the prestigious Communications Solutions Product of the Year Award represent some of the most exceptional innovations this industry has seen in quite some time. It is my pleasure to recognize ECI with this honor as they have proven that they deserve to be considered to be among the industry's elite." **Rich Tehrani, CEO, TMC**

In mid-2012, our Apollo OMLT platform was also named as one of the Light Reading's 2012 Leading Lights finalists in the Best Product (Telecom) category. Light Reading Inc. is a telecommunications industry information company based in New York City. Its activities include publishing, data analysis, market research, and events management.

Customer competitiveness: award-winning FTTH network in the UK

With an increasingly connected population in a large city in the UK, including small and home businesses, our customer, an established communications service provider providing a full suite of telecom products and services in the region, realized that its existing ADSL network would not provide enough bandwidth and speeds to meet the needs of its customers based on their usage profile. The challenge was to enhance the current network capability in a cost-effective manner, to provide advanced services at a competitive cost to customers, and without disruption to the existing service. Experiencing rapid traffic growth, our customer needed to provide both its residential and business customers with the best available connectivity today in the market, at a reasonable price point, and with fast time-to-market.

Having considered different solutions, it became clear that fiber to the home (FTTH) was the only option that could provide up to 100Mbps download speeds, and future-proof our customer's network as its business grew. Our customer selected an FTTH solution powered by ECI Telecom's passive optical network (PON) platforms and now offers a range of products up to 350Mbs to residential and business customers, with take-up exceeding expectations, reaching over 3,500 FTTH customers. We were pleased to note that our client won a local 2012 Business Award for Innovation and Technology. With an aggressive expansion plan, the company expects to provide 1GB broadband connectivity to businesses in the region.

By deploying ECI's FTTH solution, our customer provided its users with a significant increase in speeds, allowing for multiple service applications to run seamlessly at the same time. This was particularly helpful to homeworkers, by cutting download times and bringing increased freedom to those working from home, particularly when accessing company's remote applications. Both residential and business customers confirmed that deployment of this service has been "life changing" in many ways.
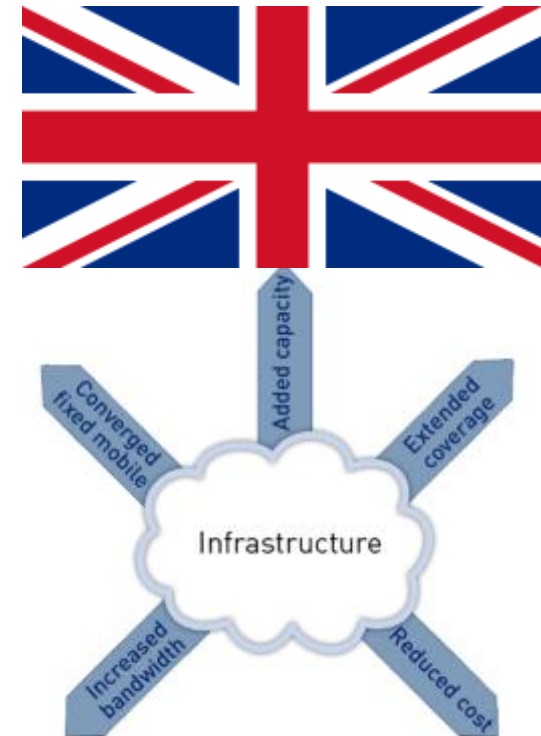
Accessibility and connectivity: advancing education

In 2012, the culmination of a complex and detailed project, our multi-terabit network for the German Research Network - Deutsches Forschungsnetz e.V. (DFN-Verein) – went live , using our innovative Apollo family of Optimized Multi-Layer Transport (OMLT) platforms to enable the fastest available services ever to members . The Apollo OMLT brings increased capacity, flexibility and reliability for advanced data traffic services.

More than 750 universities and research institutes in Germany connect to global research networks and the internet in general. DFN offers these universities and institutes specialized services such as voice over IP, videoconferencing, roaming, and infrastructure for digital certification. The DFN network is one of the largest and most powerful research networks worldwide and this new network will benefit students, professors and scientists, who depend on seamless and powerful connection to global science networks for increased collaboration.

We have maintained a significant presence in the German market since 1984 and continue to expand our offerings in this country. In 2011, we were selected by the largest high-voltage grid operator, Amprion, to support its transition to next generation networks using ECI Telecom's packet transport solution.

 "We are proud to have DFN as one of our leading customers. DFN enjoyed a smooth 100G deployment, and can now benefit from Apollo's advanced features and flexible architecture for next-generation optical networking. With deployments all over the world, including Russia, Romania, Czech Republic, Germany, India, Japan, Philippines and others, Apollo allows operators to dramatically shorten the time for delivery of new services, while increasing revenues and optimizing capex." **Sorin Lupu, President Sales & Marketing, ECI Telecom**

Customer loyalty and satisfaction: understanding our customers

We demonstrate our commitment to our customers by listening to their needs and investing our resources to develop the best solutions, while ensuring they are up-to-date with the most advanced network technologies. In addition to our regular business meetings and reviews with our customers, and our work with them to install our networks and provide the relevant service support, we also make the time to consult with our customers regarding their satisfaction with the quality of our services and solutions.

We maintain four types of customer service interventions that enable us to hear the voice of our customers:

Event-Driven Surveys: This program was launched in 2011 to ensure that we solicit feedback from our customers after every major event, including provision of a service or delivery of a new program.

Customer Queries Handling: We receive around 40,000 customer queries related to our services and solutions every year. All queries are addressed and followed through until customers receive a satisfactory response.

Customer Focus Metrics: We maintain a set of service and product metrics for all our key accounts and regularly monitor our service and products against these metrics and strive to improve the results.

Satisfaction Surveys: Our most recent survey was issued to a range of global customers in early 2012 and offered them the opportunity to provide us with comprehensive feedback about all aspects of our products and service, as well as to clarify their expectations of ECI Telecom, especially with regard to the way we help support their current and future business objectives. Called the Total Customer Experience Survey, it contained over 60 questions and was available in several languages for customers' ease of use in different countries. Our sample was 112 active global customers with over $1million revenue in the past two years.

Customer loyalty: improving customer experience

Passion for our customers is one of the key elements in our success and future growth. Our Total Customer Experience Survey of 2012 was conducted by an independent market research company with the goal of evaluating our customers' experience with ECI Telecom – including products, services, and processes, and how this experience impacts "customer loyalty." Customer loyalty is an important concept, as it is defined by three main parameters: overall satisfaction with our company, likelihood to repurchase our solutions, and likelihood of recommending ECI Telecom to others. In other words, loyal customers return to us when they have new network needs and are important references for new accounts. The survey is an important tool for us to measure ourselves in the market and to improve service and products to our customers.

**ECI Telecom
Customer Loyalty Index
Total Favorable Scores**

2008: 90.8
2012: 91.6
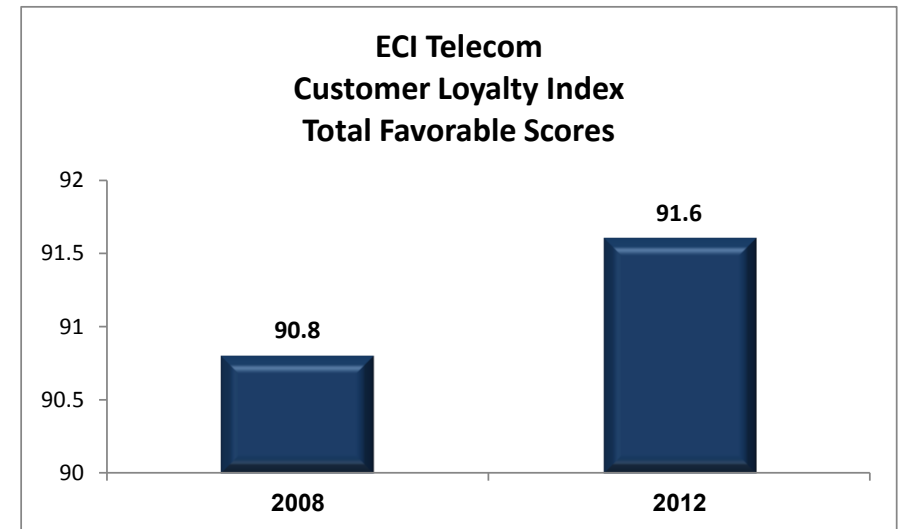
Some of the main findings of this independent external survey are:

- In general, there has been no significant change in our customer loyalty index compared to when it was measured in 2008, despite the market's challenging realities of today.
- Vis-à-vis our competitors, our loyalty score is better! In some regions, such as APAC, our loyalty has significantly improved compared to 2008.
- Our customers are, in general, satisfied with the professionalism of our sales managers, and their understanding of our customers' needs. Customers also indicated that our project managers are responsive to their needs.
- Our platforms and solutions are considered modular, scalable and future-proof.
- Although we ranked very high in the quality of our deliveries, our customers would like us to improve our delivery lead time, our service response time and problem resolution time.

"I am particularly pleased with the high loyalty results, as it shows our potential for growth in the coming years. Having said this, we must attend to opportunities for improvement as a matter of priority. I have tasked each and every relevant group in our organization to address the issues our customers identified. Together, we can improve our standing with our customers even more." **Darryl Edwards, President and CEO**

Rajesh Kamat – R&D,V&V NMS, ECI India

Sustainable Connectivity: Networks

We play an important role in society by enabling sustainable connectivity in many different ways. Of course, we cannot do this alone. We rely on a network of partnerships, affiliations and associations that support and complement our activities. The three core networks we rely on every day include our employee network which is a company-wide partnership to achieve shared objectives; our supply network of trusted suppliers who engage with us to deliver the most advanced solutions to our customers; and the communities in which we operate, who rely on us to be a good corporate citizen and contribute to the empowerment of society while caring for our environment.

Everywhere we operate, we create a level of positive economic impact, directly through the people we employ, the taxes we pay and the local business we generate. In addition, through our employee, supplier and community networks, we aim to demonstrate a values-based ethical core and lead by example. This section of our report describes our impact and performance in these areas during the last year.

Advancing partnerships with suppliers

Engaging and supporting employees

Supporting our communities

Category : Environment
Aspect: Supplier Environmental Assessment
Disclosure: G4-EN32

Category : Human Rights
Aspect: Supplier Assessment Human Rights
Disclosure: G4-HR10

Category : Social
Aspect: Supplier Assessment Labor Practices
Disclosure: G4-LA14

Category : Economic
Aspect: Procurement Practices
Disclosure: G4-EC9

Category : Society
Aspect: Occupational Health and Safety
Disclosures: G4-LA6

Category : Society
Aspect: Local Communities
Disclosures: G4-SO1

Our Supply Network

Responsible sourcing and supplier partnerships

We operate a complex Supply Network in which we maintain long-term partnerships with key suppliers with whom we have developed trusting relationships over several years, and who work with us in some cases on a turnkey basis. Our performance relies on the commitment of our supplier partners to our service and sustainability objectives and to a shared approach based on openness, trust and collaboration. We engage our strategic suppliers in planning and decision-making as part of our total network systems approach.

In the past year, given challenging economic circumstances that placed pressure on our customers, who therefore required strong support from ECI Telecom, we engaged our suppliers in efforts to provide improved win-win solutions that would serve our customers best. Our purchasing department made efforts to deepen the dialogue in our Supply Network and held open discussions with all key suppliers about these issues and opportunities. In almost all cases, trust and commitment were enhanced through these conversations and in some cases, new business opportunities resulted. This proved the value of dialogue and indicated the robust nature of our Supply Network.

Supplier commitment to ethical conduct: A Supplier Social Accountability Declaration, in line with the provisions of the Social Accountability Standard SA8000, was developed in 2010 as the basis for engaging strategic suppliers in commitments to maintaining an ethical and responsible workplace. In 2011, key suppliers were approached and invited to participate in the Supplier Declaration. In 2012, we can confirm that almost all of our existing suppliers have signed the Supplier Declaration and all new suppliers now do so as a contractual condition. In 2012, during our discussions with many suppliers, we reviewed their approach to sustainable operations and visited their sites to make a first-hand assessment of their performance.

Supplier assessment: In 2012, we continued to expand the implementation of our Vendor Rating System, which includes audits of key suppliers with regards to labor, safety, ethical conduct and environmental practices. In 2012, we performed 10 supplier audits on 6 suppliers. Three audits resulted in high-risk assessments for two Chinese suppliers and corrective actions are being addressed in the areas of excessive overtime hours and minor safety issues.

Product quality

We are one of only ten Israeli companies to have received the highest available recognition, the Diamond Mark, from the Standards Institute of Israel (SII), Israel's official standards organization, for accreditation to seven leading quality standards. We were awarded the Diamond Mark in 2012 for the first time, and again in 2013. This award is made to companies that demonstrate business excellence and quality leadership.

We maintain a range of quality certifications in our own operations and require these of our suppliers in many cases. The key certifications and standards which we comply to are:

Hezi Basok, ECI Telecom's Head of Global Business Operations and Yuval Joseph, ECI Telecom's Head of Global Quality Management, receive the Israel Standards Institute's Diamond Mark from Shalom Simhon, Israel's Minister of Industry, Trade and Labor and Zvi Hauser, Cabinet Secretary, and senior staff of the Standards Institute of Israel.

- **ISO 9001 for Quality Management Systems:** ISO 9001 is a general quality standard, focused on processes to meet customers' expectations and to create continuous improvement in services and solutions quality.
- **TL 9000 for Quality Management Systems for the Telecom Industry:** TL 9000 is an extension of the ISO 9001, specifically designed for the telecom sector. It provides dedicated tools for managing and controlling quality and sets strict measurements for effective benchmarking by our customers.
- **OHSAS 18001 for Occupational Health and Safety Assessment Series:** OHSAS 18001 ensures a safe and healthy working environment and processes for manufacturing products which are safe for use.
- **ISO 14001 for Environmental Management Systems:** ISO 14001 establishes requirements for environmentally-friendly products and processes from manufacturing to use of the products and provision of services throughout our supply network.
- **BS 25999 for Business Continuity Management Systems:** BS 25999 ensures continuous business activities during emergency incidents or disasters, protecting our customers' interests as well as our business priorities and commitments, ensuring tools for operation, survival and continuous service availability in case of major disruption in day-to-day operation.
- **SA 8000** for Social Accountability Management Systems: SA 8000 guarantees the preservation of basic human and employee rights throughout our operations.
- **ISO 27001 for Information Security Management Systems:** ISO 27001 ensures quality information security within the company, and between ECI Telecom and our customers and suppliers.
- **ISO 17025 – Laboratories Certification:** ISO 17025 is a standard that sets general requirements for the compliance of testing and qualification laboratories.

Our employee network

We recognize that our role in society includes a responsibility to the people who make our performance possible – our employees. Supporting our employees assures our business continuity and enables us to provide outstanding customer service. We maintain a values-based, respectful, safe and empowering working environment, in which our employees enjoy equal opportunity to develop in line with our business expansion and growth.

We honor our employees' right to a responsible workplace and support them in several ways:

2,062
ECI Telecom employees in
20
countries in 2012

- We provide employees with details of their terms and conditions of employment and a contract providing all details of employee entitlements and working hours and conditions prior to the commencement of employment.
- New employees participate in an orientation program which includes an overview of our organization and business, health and safety measures, compensation and benefits, ethical behavior and any other information which can assist new hires in getting on board quickly.
- We uphold our employees' privacy and observe a strict information security policy regarding employees' personal information which we do not share with any third party unless required to do so by law.
- We respect employees' rights to equal opportunity, non-discrimination and freedom of association and try to encourage our employees to be proactive in realizing all opportunities within the ECI Telecom workplace. This includes advancing a culture of diversity and inclusion in which all individuals can play a full and constructive role.
- We do not employ children in any of our operations around the world, and we forbid any form of compulsory or forced labor in line with International Labor Conventions.
- We compensate our employees fairly and in line with competitive market standards for salaries and benefits, and maintain an equal ratio of salary levels by gender for similar work.
- We invest in development opportunities through learning and job-experience opportunities and encourage employees to play an active role in their own development.
- We provide employees with feedback about their performance and work with them to identify opportunities to improve, and recognize outstanding performance.
- We encourage our employees to be conscious of the needs of the communities in which we operate and our impact on them and the environment, and take part in the ECI Telecom's programs for community volunteering and environmental stewardship.

Supporting employee performance and development

Performance development and feedback

During the past two years, we have perfected a Core Competencies Model which is the basis for assessment of performance, training and development and building potential for career advancement. Our policy encourages all employees to participate in a formal annual performance appraisal which seeks to evaluate their contribution and identify areas in which we can support their further personal and professional development. In 2012, 95% of our employees worldwide participated in such a performance appraisal.

We offer personal and professional career development programs for our employees which are structured to meet the needs of different employee groups. They include a Managerial Career Ladder (MCL), which offers a track for advancement through positions with greater managerial responsibility and a Professional Career Ladder (PCL), which offers professional employees promotion through positions requiring greater professional skills and knowledge. The PCL is tailored specifically to employees in technical, finance, legal and similar positions, which do not involve people management but are mission critical in terms of leadership of business development and support. We also have a basic Career Ladder, CL, which enables employees to advance to a level when they can be considered for MCL or PCL.

Talent management and leadership development

In 2013, we invested significant efforts in two key areas of leadership development and realizing potential. Following a comprehensive and systematic evaluation of all our managers, we identified a group of around 60 managers who we believe have the potential to enhance their contribution in their current role as well as, in many cases, start the process of getting ready to take on a larger role with greater responsibilities. In order to support these managers, we plan to develop a leadership development program, with the aim to help managers understand the way they perform and enhance their skills. In addition, we currently implement a mentoring program in which senior managers received specific training and started to work as mentors with middle managers over a period of six months.

> **Recognition for excellence**
>
> Over four years ago, ECI developed the Global Excellence Program to provide a platform for recognition of outstanding contribution and performance which exemplify ECI's target core competencies. Employees are nominated for an Excellence Award by their colleagues, team members and managers and a final selection is made by the ECI Executive Leadership. Excellence Awards are made to 2% of employees, and to 2% of managers and to cross-functional teams. In addition to gaining recognition at a special Award Ceremony, we offer award recipients a gift of value.

Also in 2012, we created a new program to help develop new first-line managers. First-line managers support a wide range of different activities in the company and are often subject to multiple and occasionally conflicting priorities. We identified the need to support these managers and developed a program that runs over several months. This is the first time such a program has been offered, and is an important expansion of our management development, creating a potential leadership pipeline for future business development.

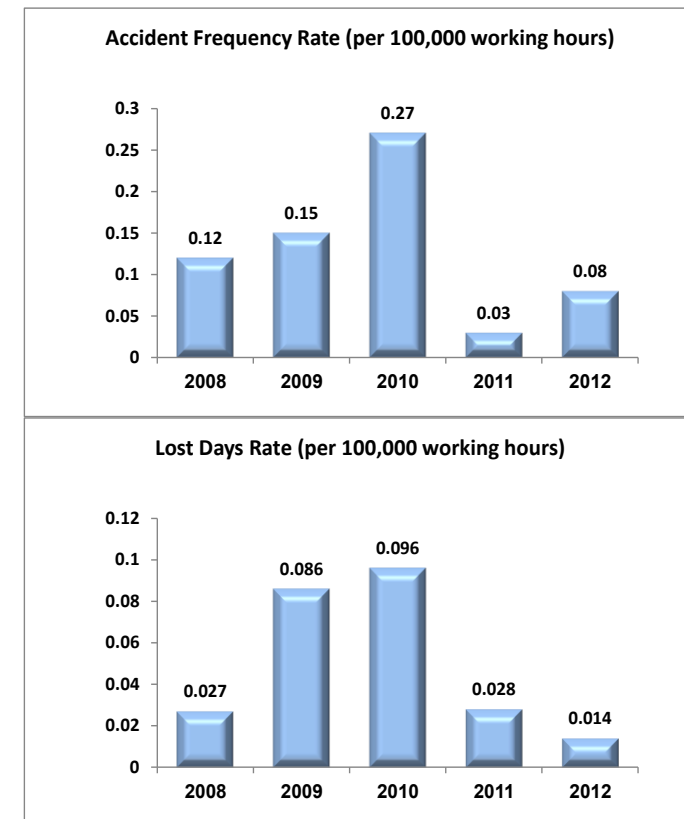# Supporting employees in a safe and secure workplace

We are committed to upholding the right of employees to a safe working environment. We maintain policies, practices and processes that ensure compliance to all applicable laws, regulations and accepted industry standards and regular reviews by our senior management. We are compliant with all legal requirements, and in many cases, exceed minimum requirements.

ECI Telecom operations are certified to the OHSAS 18001 standard and undergo regular external audits. We also undertake internal safety audits and job safety analyses and corrective action is taken where appropriate. During 2011-2012, 15 internal audits and 2 external audits (by the Standards Institute of Israel) were conducted, covering 270 individual inspection points. Sixty nine individual corrective actions were noted and these were addressed in 2012.

Following continued emphasis, training and enforcement of safety risk assessments and corrective actions, we were able to achieve our lowest accident severity rate ever in 2012 (measured by number of lost days), exceeding our target of no more than 0.015 lost days per 100,000 hours worked. There were no fatalities in any of our operations worldwide. Safety data in the charts presented in this report refers to ECI Telecom in Israel where 58% of our employees are based. We recorded zero accidents in our facilities in China and India, representing a further 30% of our employees. We do not maintain complete safety records in other locations (12% of employees in 17 locations), but no serious safety incidents were reported from these locations in 2012. Our total absenteeism rate for 2012 in Israel was approximately 2.5%.

Injuries recorded in 2012 are primarily due to road accidents and sports injuries at ECI Telecom sporting events. In 2012, all injured employees were males. In 2013, our focus is on improving awareness and precautions in these areas, as far as possible.

We also provide a high measure of security for our employees who occasionally travel to high-risk areas which may pose threats to personal security. We work with security providers all over the world to secure our global offices, and in Israel, we employ approximately 35 trained security guards. All employees have access to ECI Telecom's security portal which provides security guidance and information about potential security risks

Accident Frequency Rate (per 100,000 working hours)

Year	Rate
2008	0.12
2009	0.15
2010	0.27
2011	0.03
2012	0.08

Lost Days Rate (per 100,000 working hours)

Year	Rate
2008	0.027
2009	0.086
2010	0.096
2011	0.028
2012	0.014

Supporting communities in our network

We aim to leverage our business to strengthen the fabric of the communities in which we operate and empower individuals to make a positive contribution to society. We believe that our business has the best chances of success when the communities in which we operate are strong. Specifically, the focus of our Community Investment Policy is to inspire individuals or groups to use their potential to change their personal circumstances and help disadvantaged groups to understand and exercise their social rights. Around the world, our employees at different locations are attentive to local needs and align their contributions in a meaningful way.

We encourage ECI Telecom employees and their families to volunteer in their communities, selecting the most relevant opportunities in terms of individual interest, availability, capability and time available. We enable employees to volunteer during paid working hours in line with our volunteering policy and we recognize volunteers for the contribution they make.

Overall, in 2012, our employee volunteering hours amounted to approximately 9,500 hours in our main operating locations in Israel, India and China, representing 88% of our employees.   In other locations, we do not maintain detailed volunteering records.

Community impact in Israel

We partner with a range of not-for-profit organizations in Israel to deliver the most effective social investment programs, taking into account community needs, and executing programs using our facilities, resources, and employee volunteering. Our activities include advancing civil rights, community empowerment for employment, and education and support for youth advancement, and include:

- **Establishing a Citizen Rights Center** in partnership with Yedid, a not-for-profit organization which strives to empower individuals and communities in Israel. The Citizen Rights Center responds to over 150 inquiries each month and initiates projects to empower the community, which include workshops on managing a family budget and workshops on "the power of money" for schoolchildren. ECI's volunteers are active in receiving and forwarding queries to the Center and also in delivering these courses to the local population.

- **Mentoring students** by employees in the "Young Entrepreneurs Doing Business" program which encourages young people to get to know more about business entrepreneurship and develop skills in a practical way, including the setting up of a mini-company.

- **Helping schoolchildren progress** with our annual program of adopting a class of fourth grade children who visit our offices for weekly reading sessions with ECI volunteers. We also provide assistance in Mathematics, English and Hebrew studies to fifth and sixth grade schoolchildren.

- **Inspiring youth** by providing lessons in technological subjects at a local youth village in partnership with the Different Lesson Association, which matches managers in companies with the educational needs of youth, to provide inspiration and practical help.

- **Helping to reduce food waste and food insecurity** by volunteering with Israel's National Foodbank, Leket Israel, by harvesting tons of nutritious food in agricultural fields, to be donated to the needy.

- **Breaking the glass ceiling:** This program is designed to assist young girls from disadvantaged backgrounds and support them up to high school matriculation. The young girls visit ECI throughout the year and meet with managers in different roles to gain practical help as well as inspiration.

Community impact in India

In India, our Cultural Committee team advances community service awareness among employees, and organizes community activities to engage employees. Typically, these activities include blood drives to support local hospitals in which around 80% of our employees take part, and supporting underprivileged children. In 2012/2013, for example, our Bangalore team maintained a long-standing relationship with the Angels Orphanage, and visited throughout the year to spend time playing with the children, and distributing food, gifts and school materials which were purchased from funds donated by ECI's employees in Bangalore.

 "It was an amazing time spent with a bunch of wonderful kids. Greeted by welcome smiles, with initial connection building slowly with each child, we started mingling with them. There were children as young as 1 and as old as 18 years old and each of them had their own aura –happy, cheeky, studious, friendly or sporty ones and helpful and caring ones. The commonality was the fact that each of them longed for attention. There were always a bunch of kids who would stand beside you asking you to play or talk. This was a moment you feel the sense of compassion overtaking you and trying to see smile in each of the children you get to know. Each of them believed that they live a happy satisfied life. I could see that when they showed me around their small place where they lived with pride. I learnt how to feel content here in this life. I knew how blessed I was to live in this world and how happy I should be for the things I have with me." **Kavitha Srinivasan, ECI Telecom, Bangalore**

Santosh Bhutekar – GSC, TAC, ECI India

Sustainable Connectivity: Efficiency

Improving the resource efficiency of our products

Reducing our energy consumption

Reducing waste and increasing recycling

Resource efficiency is the key to sustainable connectivity. The environmental impacts of growing broadband accessibility and use can be mitigated through improved network infrastructures which carry increased traffic with greater speeds.

In addition, the integration and compatibility of different network infrastructures which combine new technologies with existing networks enables avoidance of waste and resources when deploying new networks.

These are aspects which we take into account in our innovation processes and product design, with the objective of creating products which are most resource efficient when they are in use by our customers.

In addition, we also place great emphasis on the resource efficiency of our own operations that are required to manage our company, produce our network equipment and transport it to our customers via our supply network. We make every effort to minimize our own resource consumption, reduce waste and increase recycling, in order to save cost and improve our competitiveness, as well as reducing our negative impacts on the environment.

Category : Environment
Aspect: Products and Services
Disclosure: G4-EN27

Category : Environment
Aspect: Energy
Disclosures: G4-EN3,4,5,6

Category : Environment
Aspect: Effluents and Waste
Disclosures: G4-EN23

Increasing resource efficiency of our products

We invest in R&D in our development centers in Israel and India, in order to provide optimal network solutions using the best technology available. As high-bandwidth capabilities expand, our solutions enable our customers to adopt increasingly resource-efficient options for delivering sustainable connectivity for their customers. This means that more traffic and larger volumes of data can be transmitted more efficiently over longer distances using fewer resources.

Fewer cables are required per unit of data-transmission – with faster broadband speeds, more data can be carried per second. We are rolling our 100 gigabits per second (100G) options with many of our customers. This is more than double the speed available until now which has to date been 40 gigabits per second. High-speed broadband reduces the requirement for cable resources, power consumption and peripheral equipment per gigabit.

**O**ur solutions enable network upgrades without the need to replace existing systems.

In 2013, for example, we proved the capability of our OMLT by successfully transporting 100G traffic, via an international submarine cable, owned by Bezeq International, Israel's leading telecommunications company, over a total distance of 4,600 km, from Tel Aviv to Bari, Italy and back.

 "ECI Telecom once again demonstrated the powerful performance of our innovative technology. The 100G channels from the Apollo OMLT allow submarine cable operators to increase significantly the network capacity with minimal network adjustment." **Eran Dariel, GM Portfolio Business, ECI Telecom**
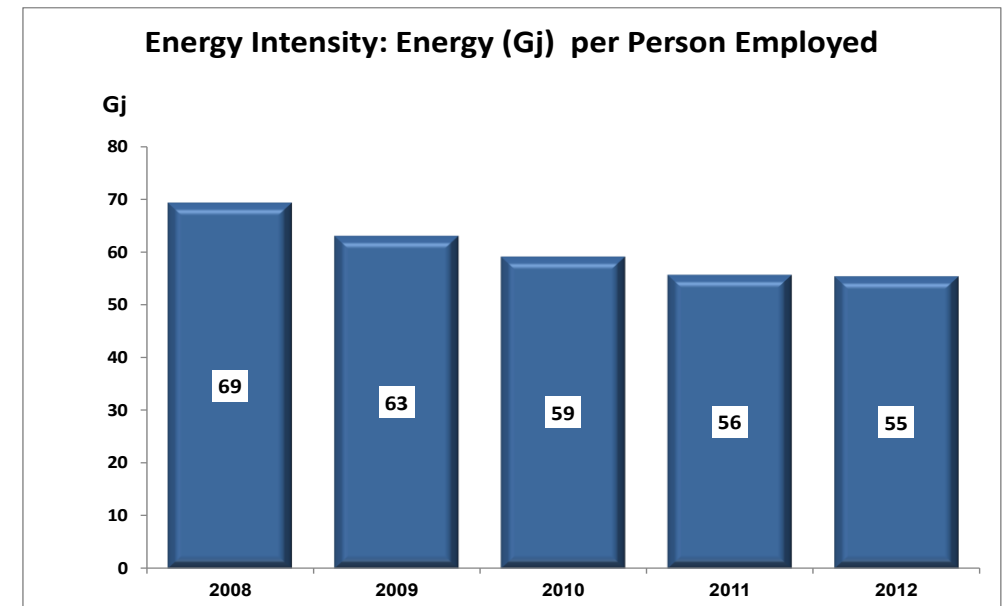
Reducing energy consumption

Our overall energy consumption includes purchased electricity for heating and cooling and general office activities, and vehicle fuel (gasoline) for our employee-assigned vehicles, which are the only sources of (non-renewable) energy we use in our operations. During the five year period 2008 – 2012, as a result of consistent efforts to reduce consumption and optimize all our resources, we have reduced our absolute energy consumption in our own operations by 31.7%. This equates to a reduction of energy consumption per person employed by 32.85%.
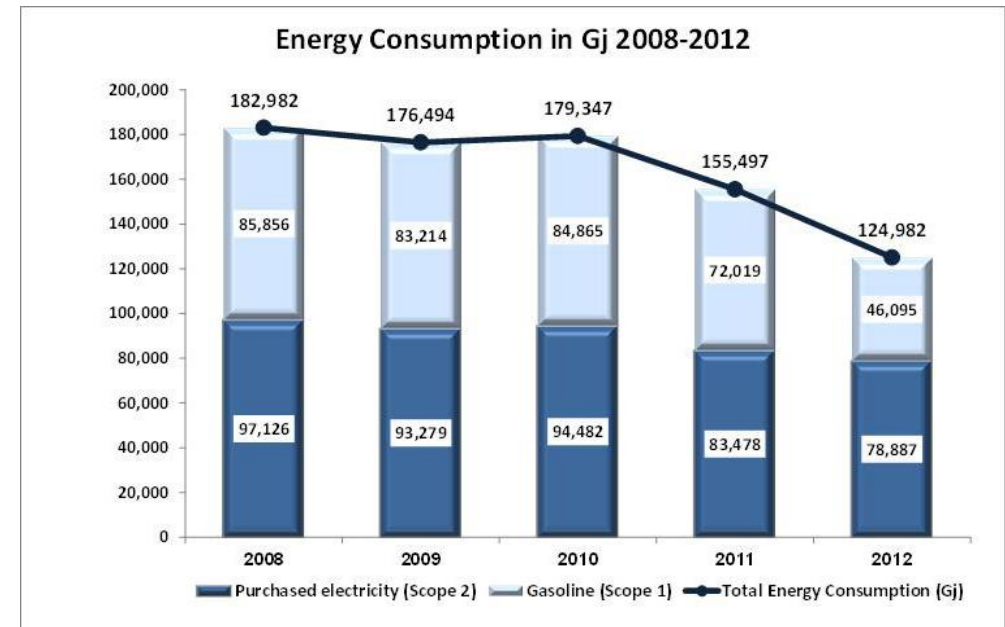
The main ways in which we have achieved these efficiencies include continued attention to resource consumption in our offices, increasingly automated controls of air-conditioning units (on/off and temperature control), automatic control of lighting, replacement of all lighting with energy efficient T5 units, replacement of air-conditioning chillers and installation of presence sensors for lighting and appliances in meeting and rest rooms.

Energy Consumption in Gj 2008-2012

	2008	2009	2010	2011	2012
Gasoline (Scope 1)	85,856	83,214	84,865	72,019	46,095
Purchased electricity (Scope 2)	97,126	93,279	94,482	83,478	78,887
Total Energy Consumption (Gj)	182,982	176,494	179,347	155,497	124,982

Energy Intensity: Energy (Gj) per Person Employed

Gj

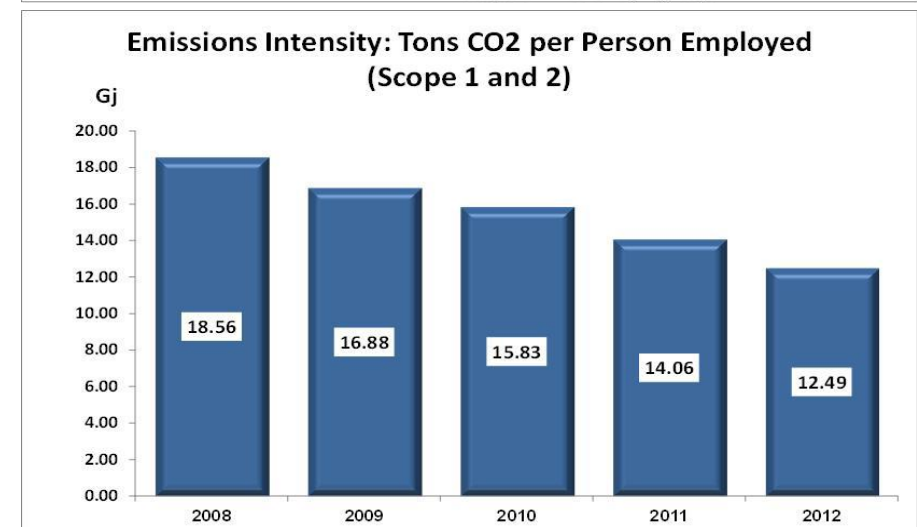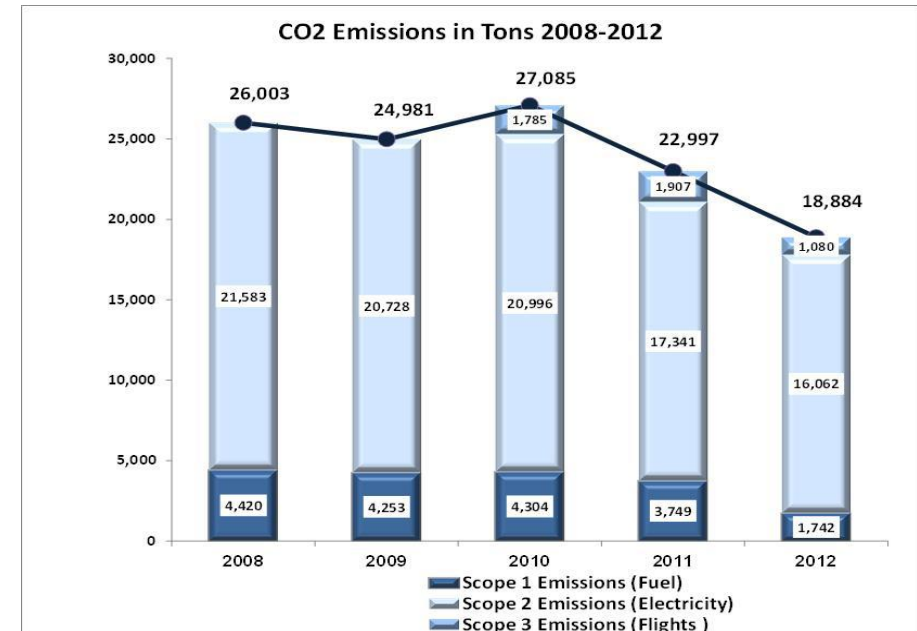| 2008	2009	2010	2011	2012
69	63	59	56	55

Carbon management

Our office-based organization is powered mainly by electricity and some fuel for employee transportation. Alternative renewable energy sources are not feasible alternatives in our office locations for several reasons. Therefore, our carbon emissions are almost entirely influenced by our energy consumption, which we manage with strict control. We annually report our carbon emissions to the Carbon Disclosure Project.

In 2012, we continued to reduce electricity and fuel consumption per person employed in our operations and this had a similar positive effect on our carbon emissions.

Since 2010, we also measure carbon emissions generated through business travel (Scope 3) and we have been able to halve our travel through increased use of remote working, both for the provision of service to our customers, where this is an acceptable alternative, and also for internal meetings and conferences. We have introduced much stricter rules concerning business travel and have provided wide access to video conferencing and other remote working tools to all employees. In 2012, we took more than 700 fewer flights and travelled more than 11 million air kilometers less than in 2011.

As a result of these efforts, we have been able to achieve a reduction of absolute carbon emissions of 31.5% in 5 years (2008-2012) and a slightly greater reduction per person employed of 32.6% during the same period.

Calculations for flights are based on 75g CO2 per 1km flying time. Electricity is calculated using the Israeli Carbon Factor 0.000773 ton/Kwh for non-renewable energy in 2011, prior years used the corresponding factors. All electricity is purchased from national grids in each country of operation.

CO2 Emissions in Tons 2008-2012

	2008	2009	2010	2011	2012
Total	26,003	24,981	27,085	22,997	18,884
Scope 3 Emissions (Flights)			1,785	1,907	1,080
Scope 2 Emissions (Electricity)	21,583	20,728	20,996	17,341	16,062
Scope 1 Emissions (Fuel)	4,420	4,253	4,304	3,749	1,742

Emissions Intensity: Tons CO2 per Person Employed (Scope 1 and 2)

Gj

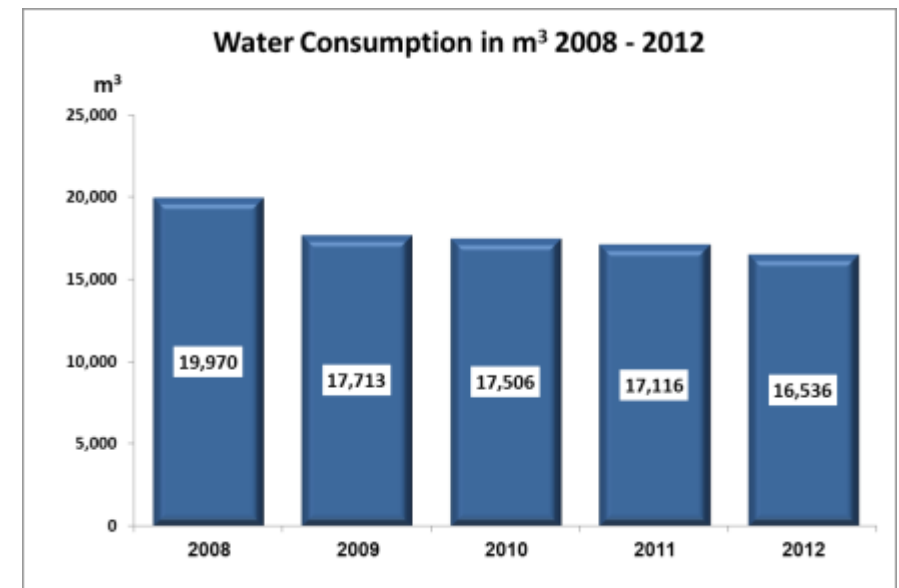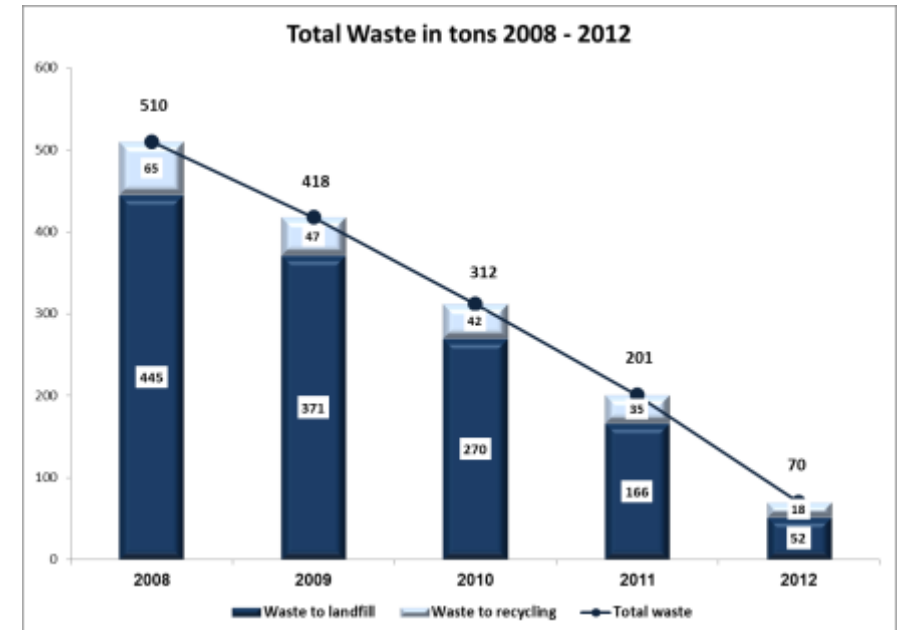| 2008	2009	2010	2011	2012
18.56	16.88	15.83	14.06	12.49

Reducing waste and increasing recycling

We generate small amounts of waste and recycle wherever we can. We generate waste through regular office activities, work in our laboratories and in our logistics operations. Our waste includes mainly electronics, metal, plastic and paper and cardboard, which is all recycled. We also produce a small amount of organic waste in our dining facilities which we do not measure. We encourage our employees to bring electronic waste from home and include this in our recycling efforts (but not in our data). Our industrial waste is construction waste from office refurbishments, and other organic waste from our offices. Due to consistent employee communications and heightened awareness, we enjoy great collaboration from our co-workers, and this contributed to the significant achievement of a six-fold reduction in waste over 5 years – from 500 tons in 2008 to just 70 tons in in 2013.

In Israel, our end-of-life products (which are obsolete and no longer saleable) are routed for recycling to a vendor who recycles upwards of 80% of relevant components.

Reducing water consumption

We have achieved a 17% reduction in absolute water consumption over 5 years. This is due, once again, to vigilance and care taken by our employees, as well as measures we took to provide for water efficient hygiene installations in our rest rooms, such as half-flush toilets and water-flow restrictors on faucets, as well as reuse of air-conditioning cooling water for irrigation purposes in our garden areas around our offices.

Total Waste in tons 2008 - 2012

Year	Waste to landfill	Waste to recycling	Total waste
2008	445	65	510
2009	371	47	418
2010	270	42	312
2011	166	35	201
2012	52	18	70

Water Consumption in m³ 2008 - 2012

Year	m³
2008	19,970
2009	17,713
2010	17,506
2011	17,116
2012	16,536

Engaging employees in environmental awareness

Following our very successful environmental awareness Global Green Camera competition in 2011, which was subsequently run again in our Indian subsidiary, we went on to further embed green awareness among our employees in 2012 with the ECI Telecom Green Family Competition. Maintaining environmental awareness is not something we want our employees to do only while they are at work. We can all benefit if each of us accepts our responsibility to the environment in everything we do, both at work and in the home. Not only is this, being green is also more economical. We wanted to encourage our employees to adopt green behaviors for their own benefit as well as to support our collective efforts to preserve our planet.

We invited employees from all over the ECI Telecom world to complete a questionnaire describing the green behaviors regularly practiced in their families. The questionnaire included detailed questions in eight categories of environmental behavior.

A committee formed by ECI Telecom managers judged the entries of all the families entering the competition. Four winning families from Israel and India were announced.

We are now inviting our winning Green Families to join our Green Family Coaching Program and help other families who want to save money, live more economically and make a positive contribution to the environment.

Being an ECI Telecom Green Family means:

- **Reuse, recycling and segregating waste**
- **Environmentally conscious driving and fuel economy**
- **Reducing paper use and paper recycling**
- **Saving energy**
- **Conserving nature and spending time in the natural environment**
- **Being a responsible consumer**
- **Saving water**
- **Making a positive contribution in the community and the environment**

"Creating employee awareness for the environment is an ongoing effort. Every year we try to develop a new creative approach to helping employees increase their awareness and their contribution. We find that this not only generates interest and fun at work, with a little competitive spirit, it also helps employees understand why environmental stewardship is so important to ECI Telecom, and increases their motivation to help us achieve our shared objectives." **Eynat Rotfeld, CSR and Welfare Manager.**

Environmental standards in our supply network

The standards and regulations we adhere to reflect our precautionary approach and responsible environmental practice, and are designed to meet customer and regulatory needs, as well as minimize waste and inefficiency in our supply network.

We maintain ISO 14001 certification in all of our production, logistics, administrative and service operations as a matter of policy, since 1998. All our outsourced manufacturing operations are formally certified to ISO 14001. As with all ISO Standards, sites are regularly audited and corrective actions are taken when necessary.

We comply with all relevant regulations and directives and ECI suppliers are required to adhere to these standards and directives as a minimum condition of eligibility to supply ECI Telecom.

REACH (Registration, Evaluation, Authorization and Restriction of Chemicals): REACH is a European Union regulation concerning the use and registration of chemicals. It applies to substances manufactured or imported into the EU. We are fully compliant with REACH legislation.

RoHS (Restriction of Hazardous Substances): RoHS prohibits the use of lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBBs) and polybrominated diphenyl ethers (PBDEs) in electrical and electronic products. We comply with this directive for all our products, even those that target geographies where such regulation is not in force.

WEEE (Waste Electrical and Electronic Equipment): The European Union's WEEE directive refers to the recycling properties of electrical and electronic products, and it requires manufacturers to assume the costs of collection, treatment, recycling and recovery of all waste from all their manufactured or marketed electrical and electronic equipment. We also comply with this directive for all our products, even those that target geographies where such regulation is not in force.

Kiran Pande – GSM, ECI India

Sustainable Connectivity: Integrity

Ethics

Governance

Transparency

Our corporate Code of Ethics

Our Code of Ethics defines how ECI Telecom employees comply with all laws and regulations in the countries in which we do business, with uncompromising standards of ethical behavior. All employees confirm to abide by ECI Telecom's Code of Ethics when joining the Company and receive detailed training about its content and requirements through a specially created online module which requires confirmation of understanding and agreement upon completion.

Our Code of Ethics is available in seven languages for easy accessibility and comprehension of all employees: German, Chinese, Russian, French, Spanish, English, and Hebrew. It is available to all employees on the corporate internal website, and on our external website in English for all stakeholders.

There are several options freely available for employees to advise the Company's officers on any matter relating to breaches of the Corporate Code of Ethics. We make every effort to investigate all issues reported, including those reported anonymously, and encourage employees to speak out without fear of reprisal.

An Ethics Council, established in 2010 to oversee our ethical performance, continues to meet regularly to ensure communications and training in ethical principles, and deal with ethical issues as they arise.

**ECI Telecom
Corporate Code of Ethics**

Our commitment to human rights

In 2012, we reviewed all our different commitments to upholding human rights both in our workplace and in our wider network of business partners and suppliers, and all those with whom we interact. We formulated a new Human Rights Policy approach which summarizes our approach in all matters relating to human rights and communicated this widely to our employees.

Our human rights statement is available for download on our website at:

http://www.ecitele.com/abouteci/CorpResp/Pages/Corporate-Governance.aspx

Our Commitment to Human Rights

Respecting Human Rights at ECI Telecom is a core value. Our business activities touch the lives of people around the globe in many ways, and we take care to conduct our business responsibly according to the highest ethical standards, which encompass respect for all human beings, and acknowledgement of their rights. We do everything within our power to uphold and protect such rights.

ECI Telecom maintains five core expressions of our commitment as a Company and as individuals to Human Rights:

- Our core values
- Our corporate Code of Ethics
- Our participation in the United Nations' Global Compact initiative
- Our Platinum award in Israel's Maala Social Responsibility Ranking
- Our standards, policies and procedures regarding corporate responsibility

This document compiles ECI's policies, statements and commitment to upholding Human Rights.

More information can be found on our website: www.ecitele.com

Feedback to ECI:

We welcome feedback and queries from any sources on our commitment to Human Rights and related policies. Please send us your feedback, queries or concerns through the contact form on our website: http://www.ecitele.com/abouteci/Profile/Pages/Offices.aspx

We treat all feedback seriously as this helps us become a better company.

ECI Telecom
Israel, June 2012

Governance and compliance

As a privately-owned company, we maintain the highest standards of corporate governance and our board of directors is actively engages in ensuring that strategy, risk management and operational controls are appropriately addressed in our business at all times. Our Board of Directors is composed of four male members, all of whom are non-executive and non-independent. The Board of Directors maintains one Board Committee, the Remuneration Committee, composed of two members of the Board, whose purpose is to govern the administration of executive compensation and associated benefits and options and management of the option program within the company.

We observe and respect the relevant laws and regulations applicable to our business. We maintain an in-house legal department staffed by six lawyers who handle legal risks, supplemented by specialist expertise where needed. Our regular system of internal and third party audits ensures that we are always in compliance with laws and regulations.

Our Executive Management Team

DARRYL EDWARDS
President and Chief Executive Officer

HEZI BASOK
Head of Global Business Operations

ADI BILDNER
Head of Global Human Resources

GIORA BITAN
Chief Financial Officer

ERAN DARIEL
General Manager, Portfolio Business

SORIN LUPU
Head of Sales and Marketing

TALI ROSENWAKS
Head of Global R&D and Engineering

ERAN TALMON
Head of Global Services Division

ARNIE TARAGIN
General Counsel

Sustainability management

Our Head of Global Quality Management leads our overall sustainability strategy and action plans. We produce comprehensive internal reports on activities for presentation to ECI's Executive Management Team twice a year, at which time performance against targets is assessed and future plans are agreed.

In addition to our corporate team, additional teams advance specific sustainability activities, and local teams in operating locations around the world support employee education, communication and implementation of responsible business and sustainability strategy.

## Participation in the United Nations Global Compact

ECI Telecom confirmed participation in the United Nations Global Compact in 2002, and from 2010, has published an annual Communication on Progress, detailing the ways in which we uphold the Global Compact Principles. Our previous Communications on Progress can be viewed on our website (www.ecitele.com/abouteci/CorpResp/Pages/Corporate-Governance.aspx) or on the UN Global Compact website (www.unglobalcompact.org). This report is our fourth Communication on Progress, and for the second year in a row, we have gone beyond the requirements of the UN Global Compact and produced a full GRI-based Sustainability Report. For more about our commitments to the UN Global Compact, see page 58.

Our Platinum Award in the Maala Social Responsibility Ranking

In support of our commitment to ethical practices and to ensure our conduct aligns with best practices among leading companies, we participate in the Maala Social Responsibility Ranking in Israel. Maala is a not-for-profit organization promoting corporate social responsibility in Israel. It compiles an annual ranking based on self-declared performance of companies in five areas: ethics, responsible workplace, community investment, governance and environmental protection. Large, public and private companies representing over 50% of business in Israel participate in this ranking. We have participated since 2004, and from 2008, have been rated at the highest level, Platinum. In 2013, we were awarded the highest possible new ranking, Platinum Plus.

Operational transparency

ECI Telecom maintains a commitment to the transparency of data, both internally and externally. We realize it is important for our customers to know how we are performing on social and environmental issues. Some customers request this data through E-TASC (Electronic Tool for Accountable Supply Chains), a web-based electronic tracking system for environment, labor, health, safety and ethics-related practices. The system requires quarterly input of all relevant data, and collates results to form a scorecard which identifies high to low risk issues. The E-TASC questionnaire consists of data received both from our headquarters and from our worldwide facilities. We have reported through E-TASC since March 2008 and subscribing customers are able to view our progress online since then. Our average score across all categories shows extremely low risk, with a result of 97.2% in 2012, representing the fifth successive year in which we have improved our performance.
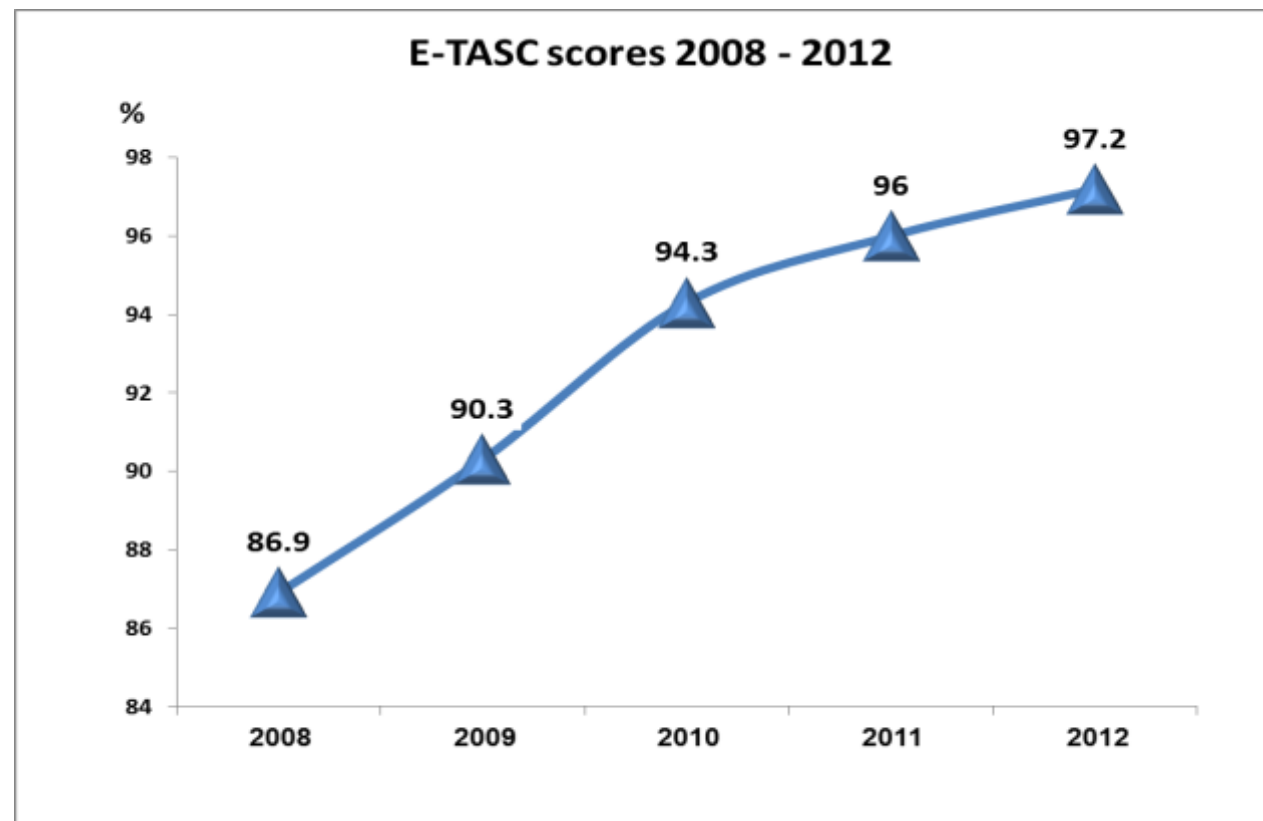
Mohit Pradhan – GSD, Projects, ECI India

GRI G4 Content Index: General Standard Disclosures

G4	General Standard Disclosure	Response / Page / Link	External Assurance Page Ref. / Link
	STRATEGY AND ANALYSIS		
G4-1	CEO statement	Page 5.	
	ORGANIZATIONAL PROFILE		
G4-3	Name of reporting organization	ECI Telecom Ltd.	
G4-4	Products	Innovative network solutions and advanced professional services. See our website for Solutions, Products and Services: http://www.ecitele.com/OurOffering/Pages/Default.aspx	
G4-5	HQ location	Israel	
G4-6	Countries of operation	Headquarters in Israel, R&D centers in China, India and Israel.	
G4-7	Legal form	ECI Telecom Ltd is a private company, wholly-owned by ECI Holding whose shares are held by the Swarth Group, a private equity company, and Ashmore Investment Management Ltd, one of the world's leading investment managers.	
G4-8	Markets served	We maintain sales in over 25 countries. See all our global offices on our website: www.ecitele.com/abouteci/Profile/Pages/Offices.aspx	
G4-9	Report the scale of the organization, including: Total number of employees; Total number of operations; Net sales (for private sector organizations) or net revenues (for public sector organizations); Total capitalization broken down in terms of debt and equity (for private sector organization); Quantity of products or services provided.	We serve over 250 customers, mainly wireline and wireless service providers worldwide, through an international sales force, local agents and resellers in over 25 regional sales and service centers and a network of resellers in over 70 countries. In 2012, we employed over 2,000 people in over 20 countries. As a private company, we do not disclose details of revenues or market capitalization.	
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	We report our full-time, permanent employees only. See tables on page 50 for total employees by gender and by region. Full-time permanent employees are by far the majority of our workforce. At any given time, we employ small numbers (below 30) of individuals on temporary contracts or as supervised employees at our different locations and it is not the case that a substantial portion of our work is performed by self-employed workers. There are no significant variations in or employee numbers due to seasonality.	

Total number of permanent employees by gender at year end			
	2010	2011	2012
Female	568	588	465
Male	2,055	2,083	1,597
Total	2,623	2,671	2,062

Employees by region by gender	2012		
Region	Female	Male	Total
India	44	292	336
China	86	189	275
Israel	275	911	1,186
Rest of World	60	205	265
Total	465	1,597	2,062

G4-11	Report the percentage of total employees covered by collective bargaining agreements.	39 employees in 2012 were covered by collective bargaining agreements, which is 1.9% of our global workforce.	
G4-12	Describe the organization's supply chain.	Page 8: Included in the description of our value chain.	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There were no significant changes during the reporting period, beyond routine restructuring for improved efficiency.	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	We take a proactive approach to risk management with regard to climate change and environmental impacts and perform regular reviews of risks in our operations and supply chain.	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	We support the Carbon Disclosure Project and submit our data to the CDP annually. We also adopt several ISO standards, including ISO14001, and other standards such as TL 9000.	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: Holds a position on the governance body; Participates in projects or committees; Provides substantive funding beyond routine membership dues; Views membership as strategic. This refers primarily to memberships maintained at the organizational level.	We participate in the United National Global Compact and, in Israel, we are members of the CSR not-for-profit organization, Maala and have participated in an annual CSR ranking since 2008.	
	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	ECI Telecom Ltd and all local subsidiary offices can be viewed on our website at: http://www.ecitele.com/abouteci/Profile/Pages/Offices.aspx For the purpose of this report, we have focused our reporting of environmental data on our operations in Israel only, where almost 60% of our people are employed. Our offices in other countries are much smaller and use small amounts of electricity for office heating	

		and cooling, and minimal amounts of vehicle fuel. Other indirect consumption (Scope 3) is not tracked in these countries at this point. For other data – Human Resources – we include our global operations unless otherwise noted.	
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Page 11. Map of Priority Sustainability Issues for ECI Telecom.This report was informed by our material issues in a process which considered the principles for defining report content: materiality, stakeholder inclusiveness, sustainability context and completeness.	
G4-19	List all the material Aspects identified in the process for defining report content.	Page 11. Map of Priority Sustainability Issues for ECI Telecom.	
G4-20	a. For each material Aspect, report the Aspect Boundary within the organization, as follows: Report whether the Aspect is material within the organization. If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: The list of entities or groups of entities included in G4-17 for which the Aspect is not material or The list of entities or groups of entities included in G4-17 for which the Aspects is material: Report any specific limitation regarding the Aspect Boundary within the organization	See table below – page 52. All Material Aspects apply across all the entities reported for our organization in all geographical locations.	
G4-21	a. For each material Aspect, report the Aspect Boundary outside the organization, as follows: Report whether the Aspect is material outside of the organization. If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified. Report any specific limitation regarding the Aspect Boundary outside the organization	See table below – page 52. All Material Aspects apply across all the entities reported for our organization in all geographical locations.	

G4-20 - G4-21 Aspect Boundaries

Material Aspect	Aspect	Internal	External
Supporting customer competitiveness	Indirect Economic Impacts	✔	✔
Innovation for improved performance	Product Responsibiilty	✔	✔
Expanding our market presence	Market Presence	✔	✔
Partnerships with suppliers	Supplier Environmental Assessment		✔
	Supplier Human Rights Assessment		✔
	Supplier Labor Practices Assessment		✔
	Procurement Practices		✔
Engaging and supporting employees	Occupational Health and Safety	✔	
Supporting our communities	LocalCommuniities	✔	✔
Resource efficiency of our products	Products and Services		✔
Reduce our energy consumption	Energy	✔	
Reducing waste and recycling	Effluents and Waste	✔	

G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	No information has been restated.	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There are no significant changes from previous reporting periods in the Scope and Aspect Boundaries.	
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization.	Our stakeholders include: owners, customers, employees, suppliers, governments and local communities in the locations where we operate. We maintain regular dialogue with stakeholders in order to understand their needs and communicate with them transparently about our sustainability impacts and performance.	
G4-25	Report the basis for identification and selection of stakeholders with	The basis for identification and selection of stakeholders is based on	

	whom to engage.	our primary business interactions with employees, customers and suppliers. These are the groups with whom we interact on a daily basis and have the greatest impact on our business. In addition, we interact and engage with other stakeholders, including industry organizations, governmental authorities,	
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	See details in table below. We did not undertake any specific external stakeholder engagement activities in the preparation of this report, as our ongoing interactions provide us with regular stakeholder feedback.	

G4-26: We make efforts to understand our stakeholders and be responsive to their needs. Our engagement practices are both formal and informal, and integrated into business planning on a regular basis. Through internal meetings and discussions, we analyze the feedback we receive from our stakeholders to distil the most significant issues that inform our sustainability programs. We engage with our primary stakeholders as detailed in the table below.

Our Engagement with our Key Stakeholders	
Owners	ECI Telecom's owners are represented on our Board of Directors. Through our Executive Management Team, they are involved in development of sustainable performance planning and updated on a regular basis at Board Meetings. The key issues raised by the Board of Directors are business expansion and sustainable profitable growth, expanding market presence and innovation.
Customers	Our customers drive our business strategy. They are major communications service providers, and many are leaders in sustainable performance and demand similar standards from ECI Telecom. We engage daily, weekly and monthly with customers to discuss business developments, product specifications and sustainable performance. We host our customers for discussions and audits of our operations. We reach out to new customers through participation in trade shows, conferences and industry meetings. We ensure that we are abreast of all regulatory requirements that our customers face and respond accordingly. The key issues raised by customers are innovation, product performance, reliability and service, and resource efficiency to positively impact on costs.
Employees	Our employees are the source of our success and ability to continue to deliver sustainable solutions. We engage our employees in developing sustainable solutions through strong internal communications programs, annual performance reviews, business updates, community volunteering, and informal conversations at all levels. Key issues raised by employees are job security, fair compensation and benefits, and opportunities to develop.
Suppliers	We maintain long-term partnership relationships with key suppliers who are critical to our ability to deliver sustainable bandwidth for our customers. Our most strategic suppliers are involved in our product development and implementation teams, and share in the decision-making process on many levels. Other suppliers are encouraged to offer suggestions for improvement and different ways of working in our monthly or quarterly discussions with them. Key issues raised by suppliers are requirements of ECI Telecom in relation to ethical performance, and assessments.
Government	We engage with government bodies in areas in which we work for the purposes of gaining the relevant authorizations for our business, and also in areas of research and development. Governments look to ECI Telecom to uphold the law and all local regulations and also collaborate in partnerships for sustainable development, where we possess the relevant expertise.
Local Communities	We recognize that we have a responsibility to make a difference in the local communities in which we operate through supporting local social and environmental causes and enabling and encouraging our employees to volunteer. We engage with social and environmental community partners as needed to advance joint programs of mutual interest. In general the expectations raised by community partners relate to the level of our investment and involvement in supporting local communities.

G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	The issues that our stakeholders have raised are essentially those which are reflected in our material Aspects. See our response above to G4-26 for specific issues raised (page 53).	
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Page 3. About this report	
G4-29	Date of most recent previous report (if any).	2012	
G4-30	Reporting cycle (such as annual, biennial).	Page 3. About this report	
G4-31	Provide the contact point for questions regarding the report or its contents.	Page 3. About this report	
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below. c. Report the reference to the External Assurance Report, if the report has been externally assured.	Page 3. About this report. This report has not been externally assured.	
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	This report has not been verified by an independent third party, as we did not feel this would add value at this time. However, in developing information for this report, external consultants were invited to check all information provided. They visited our offices, reviewed documentation and interviewed over 30 managers in one-on-one discussions.	
GOVERNANCE			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	The Board of Directors of ECI Telecom is composed of four male members, all of whom are non-executive and non-independent. The Chairman of the Board is Mr. Shaul Shani, head of the Swarth Group. The Board of Directors maintains one Board Committee, the Remuneration Committee, composed of two members of the Board, whose purpose is to govern the administration of executive compensation and associated benefits and options.	
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Page 7: Our Values Page 43: Our Code of Ethics	

GRI G4 Content Index: Specific Standard Disclosures

Material Aspects as listed in G4-19	DMA and Indicators	Indicator detail	Page / Link	Omissions	External Assurance
CATEGORY: ECONOMIC					
Market Presence	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	70% of our most senior managers in our global operations are locally hired. This includes our operations in Israel, India, China, and the U.S. and other key locations in European and Americas.		
Indirect Economic Impacts	G4-EC8	Indirect economic impacts	Several examples reported in the section entitled Accessibility, starting on page 14.		
Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	In India, China and Israel we make most of our purchases of local requirements locally. We estimate this to be more than 80% of our purchases. Our outsourced manufacturers operate under turnkey conditions and make their own purchasing decisions. Other requirements are local office and administrative purchases which are all locally based.		
CATEGORY: ENVIRONMENT					
Energy	G4-EN3	Energy consumption (Scope 1+2)	Page 37		
	G4-EN4	Energy consumption outside of the organization	Page 37		
	G4-EN5	Energy intensity	Page 37		
	G4-EN6	Reduction of energy consumption	Page 37		
Water	G4-EN8	Water withdrawal by source	Page 39. All our water is drawn from national water supplies.		
Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 38		
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Page 38		
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Page 38		
Effluents and Waste	G4-EN23	Total weight of waste by type and disposal	Page 39		

		method			
Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Page 36		
Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Page 26		
CATEGORY: SOCIAL. SUB CATEGORY : LABOR PRACTICES AND DECENT WORK					
Occupational Health and Safety	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Page 30		
Training and Education	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Page 29		
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Page 29		
Supplier Labor Practices Assessment	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Page 26		
CATEGORY: SOCIAL. SUB CATEGORY : HUMAN RIGHTS					
Local Communities	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Page 26		
CATEGORY: SOCIAL. SUB CATEGORY : SOCIETY					
Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Page 31		
CATEGORY: SOCIAL. SUB CATEGORY : PRODUCT RESPONSIBILITY					
Product and Service Labeling	G4-PR5	Results of surveys measuring customer satisfaction	Page 22-23		

UN Global Compact Index

This Sustainability Report serves as our fourth Communication on Progress and reflects our policies, practices, and performance with regard to responsible business practices. On behalf of ECI's Directors, Executive Management Team and employees around the world, I once again am pleased to commit to continuing our support for the ten universally accepted principles of responsible business though participation in the United Nations Global Compact, in support of the broader global sustainability objectives, and to provide an annual communication to update stakeholders on our progress.

Darryl Edwards, President and CEO

For more information about the United Nations Global compact, see: www.unglobalcompact.org

UN Global Compact Index and GRI Cross Reference Table

Principle	Global Compact Principles	GRI G4 Aspects / Disclosures	
1	Businesses should support and respect the protection of internationally proclaimed human rights.	• Human Rights Aspects	Respecting human rights at ECI is a core value. Our business activities touch the lives of people around the globe in many ways, and we take care to conduct our business responsibly according to the highest ethical standards, which encompass respect for all human beings, and acknowledgement of their rights. We do everything within our power to uphold such rights. Read our Commitment to Human Rights : http://www.ecitele.com/abouteci/CorpResp/Pages/Corporate-Governance.aspx We work with suppliers in our supply chain to ensure they are aware of our standards relating to human rights and encourage them to adopt similar standards.
2	Businesses should make sure that they are not complicit in human rights abuses.	• Human Rights Aspects • Local Communities Aspects	
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	• G4-11 • Freedom of Association and Collective Bargaining Aspect • Labor/Management Relations Aspect	We respect the rights of employees to freedom of association and collective bargaining. We aim to maintain collaborative, open and positive relationship with employees and address issues relating to their rights in a positive manner.
4	Businesses should support the elimination of all forms of forced and compulsory labor.	• Forced and Compulsory Labor Aspect	We do not engage in any practice which could be construed as forced labor. All ECI employees are employed within the provisions of the law and employment contracts which are entered into of employees' own free will.
5	Businesses should support the effective abolition of child labor.	• Child Labor Aspect	We respect and support the rights of all children, and we are committed to preventing harm and actively safeguarding their interests. We do not employ children in any part of our business.
6	Businesses should support the elimination of discrimination in respect of employment and occupation.	• G4-10 • Labor Practices and Decent Work Aspects	We maintain a policy of equal opportunity and enjoy a high level of diversity among our workforce around the world. Recruitment and human resources policies are designed to nurture non-discriminatory practices for new and current employees in all matters relating to their employment with ECI Telecom.
7	Businesses should support a precautionary approach to environmental challenges.	• Environmental Aspects	ECI Telecom is driven to provide customers worldwide with network telecom infrastructure that will enable them to address current and future business challenges, and in doing so, consider environmental impacts through the use of environmentally-friendly technology and technology-driven infrastructure. We are committed to achieving high standards of environmental quality and have established, implemented, and maintained environmental and health & safety systems in line with the highest global standards available.
8	Businesses should undertake initiatives to promote greater environmental responsibility.	• Environmental Aspects	
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	• Environmental Aspects	
10	Businesses should work against corruption in all its forms, including extortion and bribery.	• Anti-Corruption Aspect • Public Policy Aspect	We are committed to behaving with integrity and act against all forms of corruption.

Prashant Lende – GSD, CS , ECI India

Advancing Sustainable Connectivity

ECI Telecom

Sustainability Report 2012

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