



724 Solutions

2008 Corporate Responsibility Report



John Sims  
Chief Executive Officer

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## 1 Report Scope

This report covers the operations of 724 Solutions Inc. and its subsidiaries for the year ended December 31, 2008. A copy of this report is available in PDF format online at [www.724.com/company/responsibility.asp](http://www.724.com/company/responsibility.asp). All targets and performance reported herein refers to the performance of 724 Solutions as a whole.

## 2 About this Report

The purpose of this report is to provide an objective account of our company's impact on the jurisdictions in which we operate. The contents of the report were derived from a process of review involving both internal and external constituents. The report has not been audited by an independent auditor.

## 3 CEO Introduction

Welcome to 724 Solutions 2008 Corporate Responsibility Report. This report is a comprehensive and objective review of our Company's economic, social and environmental impact on the jurisdictions in which we operate.

Our mission is to enable the All-Ways Connected Lifestyle. We will assist our customers, through collaborative and agile partnerships, to be able offer compelling Mobile Internet, Mobile Broadband and IP-based Messaging services to their subscribers. Despite our size, it is our intention to be a leader in executing on this mission in a manner that is environmentally and socially conscious.

Our corporate responsibility program consists of a series of social, environmental and community-focused initiatives. It is our intention to work towards ISO 14002 certification, building upon the ISO 9000 certification that we have maintained for the past four years.

2008 was another year of growth for our company, during which we added several new customers for our industry-leading Seamless Access solution, which was introduced in 2007. In addition, we added customers for our unique IP-based Messaging solutions, which enable mobile operators to bridge between their new IP-based and IMS messaging environments and the traditional mobile SMS and MMS messaging.

We appreciate the support of all of our stakeholders and hope that you will enjoy reading about our Corporate Responsibility commitments and progress.

John J Sims  
Chief Executive Officer



## 4 724 Solutions Profile

724 Solutions was originally founded in 1997 and was expanded in 2001 through the acquisition of TANTAU Software Inc. Since its founding the company has focused on building solutions for the mobile operator marketplace. The company, which has approximately 160 people, is headquartered in Santa Barbara, California and has development centers in Mumbai, India and Lenzburg, Switzerland. Our sales, support and services people are generally located close to our customers in various cities around the world. The company sells to mobile operators and has over 70 customers globally, including Vodafone UK, China Mobile Guangdong, China Telecom Zhejiang, Vodafone Czech Republic, Vodafone Ireland, Globe Telecom, Celcom Malaysia, Elisa, DNA and Swisscom. The company also partners with industry-leading go-to-market partners, including Nokia Siemens Networks, Ericsson and Atos Origin.

724 Solutions is a privately held company that is owned by Austin Ventures, one of the largest private equity firms in the United States. Austin Ventures has over \$4 billion under management and has provided start-up and growth capital to emerging companies for more than twenty years. The firm brings a long-term investment perspective, broad experience in building high-growth companies, and access to an unparalleled network of entrepreneurs and executives.

Please see [www.724.com/company](http://www.724.com/company) for more information.

724's Companywide Mission and Strategy statements guide our focus and objectives.

### **Our Mission**

Enable the All-Ways Connected Lifestyle.

### **Our Strategy**

Focus on providing Mobile Internet, Mobile Broadband and IP Messaging solutions to mobile and converged operators.

# 724 Solutions

724's Approach and Values are reflected in our everyday work and interaction with customers, partners and each other.

## Our Approach

Leverage People, Keep it Simple, Stay Focused, Do the Right Thing.

## Our Values

- Open, honest and direct communications
- Responsibility and accountability
- Embrace diversity
- Respect the world around us
- Working together as a team
- Innovate with simplicity
- Sharing rewards and recognition

## 5 Corporate Responsibility Management

One of the tenets of our approach to business is that ***we do the right thing*** and one of our principle values is to ***respect the world around us***. We fundamentally believe that behavior in keeping with these principles is essential to the long term success and sustainability of our business and, therefore, it is in the best interests of our stakeholders.

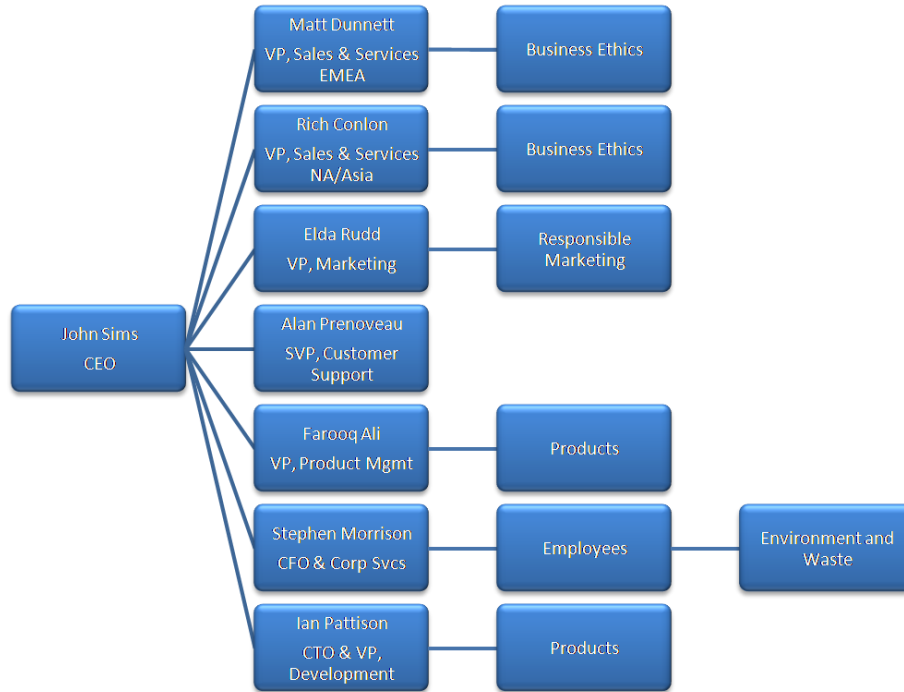
In 2008, our key guiding document for employees, The Way We Do Business, was reviewed with all employees, including new employees as they joined the organization. We have informally surveyed a sample of employees to determine their understanding of the key principles included within the document, and expect to formally survey our employees on this topic in the first half of 2009.

In 2009, we also intend to feature a regular segment in our quarterly employee newsletter, Newline, focusing on different aspects of our corporate responsibility program.

During the year ahead we intend to ensure that our employee base has a greater awareness of our corporate responsibility objectives.

# 724 Solutions

Executive Accountability for corporate responsibility initiatives:



Members of the 724 Solutions management team have responsibility for aspects of our corporate responsibility program that fall within their respective areas of the business. John Sims, our CEO, has overall responsibility for the Corporate Responsibility program.

The management team is responsible for the production of the annual Corporate Responsibility Report.

## 6 Supply Chain

As a software company, 724 Solutions does not source a significant amount of hard goods, other than IT and development systems that are utilized internally and a small amount of computer hardware that is procured on behalf of our customers. We do not manufacture any of this equipment, but rather procure it from third parties, including primarily HP, SUN Microsystems, Cisco and F5 Networks. Given the relative size of our company versus these industry leaders, we are not in a position to effectively dictate terms to them. Our procurement ethics guidelines are published on our website at [www.724.com/company/responsibility.asp](http://www.724.com/company/responsibility.asp).

In addition, we monitor the Corporate Responsibility programs of our principal suppliers:

HP:

Global Citizenship - [www.hp.com/hpinfo/globalcitizenship](http://www.hp.com/hpinfo/globalcitizenship)

Cisco:

Corporate Social Responsibility - [www.cisco.com/web/about/citizenship/index.html](http://www.cisco.com/web/about/citizenship/index.html)

SUN Microsystems:

Corporate Responsibility - [www.sun.com/aboutsun/csr/index.jsp](http://www.sun.com/aboutsun/csr/index.jsp)

F5 Networks:

Environmental Corporate Position - [www.f5.com/pdf/f5/environmental-policy.pdf](http://www.f5.com/pdf/f5/environmental-policy.pdf)

As described in The Way We Do Business, the Company maintains a Complaints Process that allows employees to submit complaints to the Chairman of the Board, on a confidential basis, concerning breaches of Corporate Responsibility, including procurement ethics. No such complaints were received in 2008.

## 7 Our People

724 Solutions has approximately 160 employees based in 17 countries for whom we strive to provide a fair, safe and flexible workplace. We also believe that it is critical to maintain an environment of open communications, which we achieve through a series of periodic Town Hall meetings and a quarterly newsletter, known as Newline. After each issue of the newsletter, we encourage employees to participate in a short survey that is geared to determine their views on the value of the communications and suggestions for future enhancements and topics to be covered.

Four issues of the newsletter were published in 2008 and surveys were conducted after each issue to solicit employee feedback on the usefulness of content and improvements that could be made.

In 2008, we began tracking the gender and ethnic categories of our employees and this will serve as a baseline to help increase representation in the under-represented groups. The distribution of our employees is reflected in Figures 1 and 2 below.

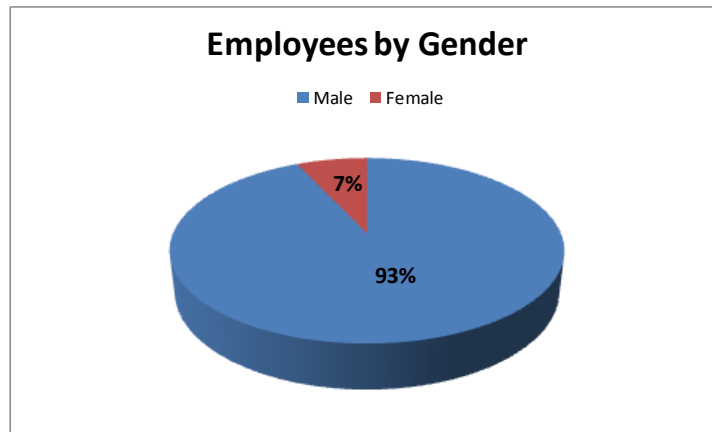


Figure 1 – 2008 Gender Distribution

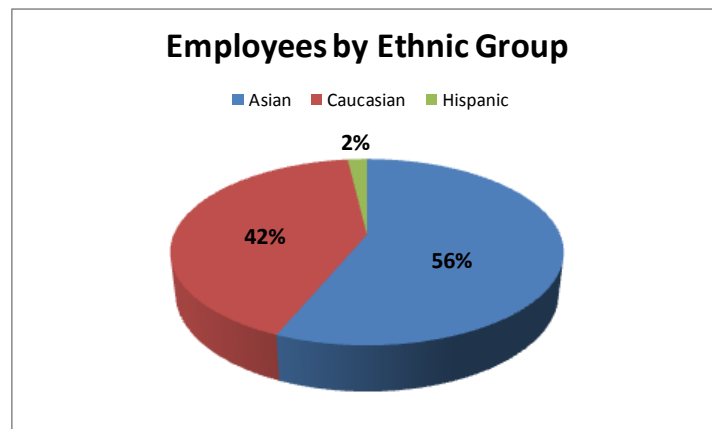


Figure 2 – 2008 Ethnic Distribution

## 724 Solutions

724 has encouraged flexible working alternatives for our employees, including part-time work, equipping employees to be able to work from home and having flexible work hour arrangements.

## 8 The Environment

By the nature of our business as a software company our operations have a minimal direct impact on the environment, but we do have an indirect impact on the environment through our employee business and commute travel.

In all aspects of our business we seek to minimize our use of natural resources and energy and to utilize recycling to the extent possible in the disposal of waste and to dispose of e-Waste in a responsible manner.

Most of our e-Waste is disposed of from our headquarters in Santa Barbara, California and is done so in a manner that leverages local e-Waste recycling programs facilitated by the City of Santa Barbara.

We equip employees to be able to work from home and do encourage telecommuting when possible in order to minimize our employees need to utilize public or private transportation to and from their workplace.

When business travel is required, then by policy, we require the minimum number of employees to travel, we require economy air travel and we encourage employees to share rental cars when possible.

In 2008, we prepared our first ever Climate Change Report, which is now available in the Corporate Responsibility portion of our web site at [www.724.com/company/responsibility.asp](http://www.724.com/company/responsibility.asp).

## 9 Giving Back to our Community

We believe that it is important to seek opportunities to effectively contribute to the communities in which we live and do business. The company works to accommodate the time required by those undertaking community volunteer roles through flexibility in work hours. In addition, the company has been a previous contributor to organizations such as the Lance Armstrong Foundation, the Boy Scouts of America and the Austin Children's Center. Additionally, the company has made contributions in times of disaster, including fundraising led by our owner Austin Ventures for the victims of Hurricane Katrina in the United States.

In 2008, the company made charitable contributions amounting to almost 0.1% of our revenues, the largest recipient being the Lance Armstrong Foundation through their Livestrong Challenge. This was an event in which several of our executives participated as part of the Austin Ventures team. Team Austin Ventures, including 724 Solutions, was the second highest fundraiser at the event held in Austin, Texas in October, 2008, raising over \$225,000 for the fight against cancer.

## 10 Corporate Responsibility Measurement

As indicated in last year's report, we are adding some additional corporate responsibility measures.

- Percentage of our dollar spend that is with Suppliers who have active Corporate Responsibility Management programs
  - Approximately 68% of our third party purchases are from Suppliers who meet this criteria.
- Percentage of employees participating in some form of telecommuting
  - 23 percent of our employees work from home on a regular basis.
- Percentage of employees involved in community volunteer programs
  - 1823 volunteer hours by employees.
- Percentage of revenue contributed to charitable organizations
  - Approximately 0.1 percent of revenues.
- Number of employee corporate responsibility complaints received
  - No Complaints were received in 2008.
- Percentage of employees covered by the employee survey of corporate responsibility understanding
  - In 2008, this was only an informal survey; we will report specific numbers from our formal survey in 2009.
- Percentage of employees being briefed on The Way We Do Business
  - 100 percent.

**For more information, contact:**

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