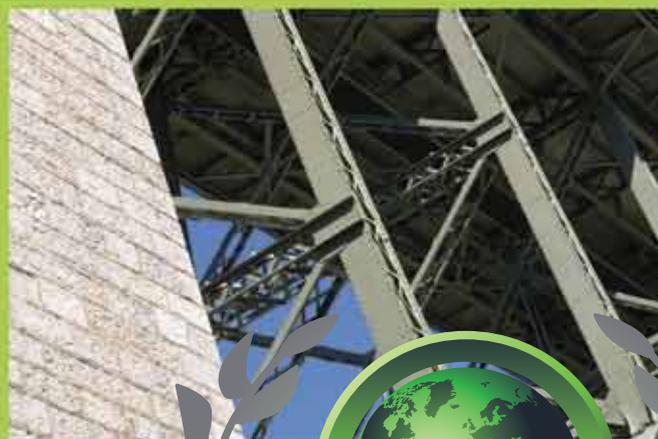




Sustainability Report

Baran Group 2010



www.barangroup.com



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Baran 2010 Spotlight

\$250.7million
Gross revenues

1,401
Global employees

8
Company directors

3.03
Accident rate

7,823
Tons carbon emissions

9,803
Employee training hours

\$15.5million
Operating profit

732
Employees in israel

22
Senior executives

0.064
Lost day rate

16
Tons waste

\$206thousand
Community contribution

17
Country operations

59%
Engineers employed

259
Women employees

0
Fatalities

4,412
Water consumption (m3)

150
Employee volunteers

A Message from Baran Group CEO: Elhanan Abramov, PhD.

Dear Stakeholders,



When we at Baran Group talk about our business, we usually refer first of all to our people, and not to buildings, construction or engineering processes. This is because, at the root of everything we do, is a team of committed, skilled and competent individuals who approach engineering as defining sustainable solutions for human and environmental needs, rather than suggest new para science and practice of creating infrastructures, buildings, roads and transportation mechanisms. Baran Group was founded over 30 years ago as a partnership between seven friends and colleagues who built a business based on the desire to offer a service which would benefit society as well as enabling them to make an honest living and provide employment for others. The growth of the Baran business, which was driven by the personal example and values of the founders, has been achieved through continuous adaptation to new opportunities while living the legacy that Baran founders had established years earlier. Today, this is known within the Company as the Baran Spirit which, at its root, is based on core values of honesty, respect, a desire to succeed and teamwork at its best. The Baran Spirit fuels Baran's continued success and growth in challenging markets all around the world.

Another aspect of Baran's business is our culture of openness and transparency. Our first Corporate Responsibility Report, published in the Hebrew language, in 2009, was our first attempt at describing our sustainability performance in one report. Since then, we have formalized our Sustainability Management structure with a Steering Team which reports to the Executive Management (and Board of Directors) on a regular basis and drives the implementation of a work plan covering all aspects of our business. One outcome of this more structured approach is our decision to report more comprehensively, in line with the Global Reporting Initiative Framework at the highest reporting level, in English, for all our global stakeholders. Transparent communication of our sustainability performance to our stakeholders is, we believe, the key to the long term development of trusting relationships internally and externally, and reporting is a participatory and interactive management process which teaches us much about ourselves and the way we do business and reinforces the accountability of all Baran employees. In 2010, we also confirmed our participation in the UN Global Compact, one of the few Israeli companies who have adopted this leading global commitment to sustainable and responsible business behavior.

Sustainability in engineering is at the core of almost every business. All companies wishing to establish manufacturing or supply chain infrastructures must give thought to engineering solutions which will enable delivery of their strategy. Baran Group is a key partner for hundreds of such businesses around the world, providing the unique skills and know-how to advance their business infrastructures with a professional team focused on getting the job done in a responsible way. Project by project, Baran advances both solutions to business needs as well as socio-environmental considerations. As trust in our expertise and advice increases in our position as project executors and advisors to our clients, we find that more customers are willing to hear our voice as we propose sustainable solutions while meeting their engineering and project management needs.

As Baran develops its global position as a leading provider of engineering solutions, we advance our sustainable solutions in many different ways. Our selection as the provider of an engineering infrastructure for the breakthrough Better Place electric car charging stations in Israel is one example of how Baran aligns with leading sustainability solutions for clients.

We remain true to our Baran Spirit at all times and ensure we contribute to the development of our local and global communities through the provision of pro-bono engineering work and also the personal voluntary involvement of our employees.

When all is said and done, our business is a group of motivated and talented people who happen to be engaged in delivering sustainable engineering solutions. We are pleased that we can deliver this contribution to global sustainability while advancing our own sustainability as a business.

We hope you will find this report of interest and we welcome all feedback.

Sincerely,

A handwritten signature in blue ink, appearing to read 'E. Abramov', written over a light blue horizontal line.

Dr. Eli (Elhanan) Abramov
CEO Baran Group

Part One

Introducing Baran

Baran business profile

Baran business structure

Baran Timeline 1979 – 2010

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Awards received by Baran



Baran Group profile

Baran Group Ltd is a publicly traded Company, a global provider of Engineering, Technology, Telecommunication and Construction solutions, headquartered close to Tel Aviv in Israel. Baran Group offers creative, innovative and proven integrated sustainable engineering solutions to complex and challenging projects, customized to clients' unique requirements. Baran sustainable engineering solutions include feasibility studies, engineering and detailed design solutions, preparation for obtaining regulatory permits, construction and site management, project management and control including Engineering, Procurement and Construction Management (ECPM) services and turnkey projects. Baran solutions apply to a wide range of processes including manufacturing, industrial processes, power generation and distribution, petroleum production, water supply, sewerage and hazardous waste treatment in several sectors such as general building, transportation and telecommunications. Baran delivers creative solutions to sophisticated challenging projects.

Baran Group employs over 1,400 people and operates in 17 countries with major operations in Israel, USA, Russia and Germany. Baran net revenues from provision of engineering services in 2010 were approximately \$ 240 million (NIS 864.83 million). Baran's market capitalization was approximately \$ 42 million (NIS 174.8 million (December 2010)).

Baran Group Global Presence



EUROPE

Israel
Russia
Germany
Romania
Bulgaria
Hungary

ASIA

Thailand
Vietnam
Uzbekistan
Nepal

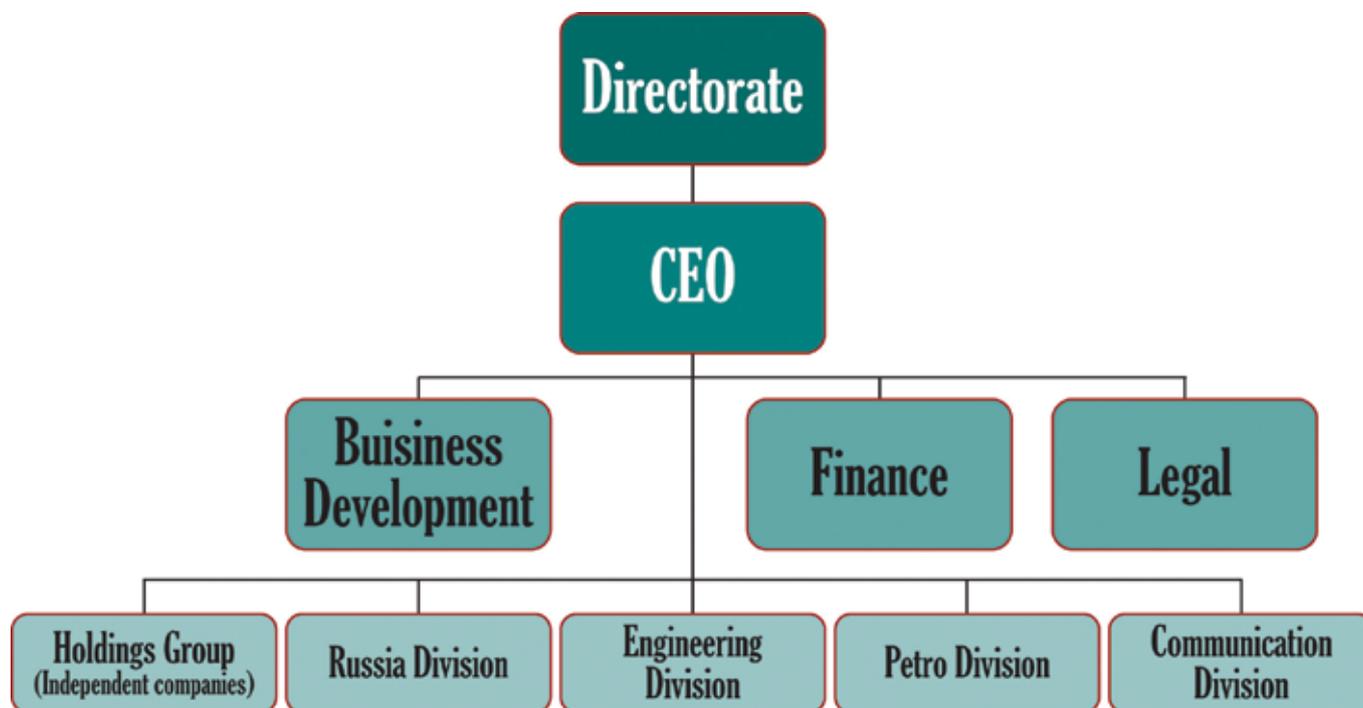
AFRICA

South Africa
Congo Barzaville
Congo DRC
Uganda
Kenya

AMERICA

USA- Coast to coast nationwide deployment
Canada- Toronto, Montreal

Baran Group Business Structure 2010



Baran Group's Telecommunication Division specializes in the planning, management and establishment of infrastructures for linear and cellular communication, operating in Israel, North America, Europe, Asia and Africa. The division serves mainly private-sector clients in the telecommunication industry including equipment suppliers and cellular communication operators. Baran's solutions include the provision of wireless networks infrastructure, fiber-optic and copper networks, satellite networks development and homeland security solutions.

Baran Group's Russia Division specializes in engineering projects in Russia and other Eastern European countries.

Baran Group's Engineering and Projects Division specializes in the provision of engineering services projects to the process industries and for construction and civil infrastructures, operating primarily in Israel and Romania.

Baran Group's Petro Division specializes in engineering for various industries such as water, gas, alternative energy, chemical and process industries and more, planning and turnkey projects in the petroleum and petro-chemistry industries including refineries and power stations.

Baran Group's Holdings Division provides engineering solutions through a wide range of Baran Group wholly or partially owned subsidiaries in a number of different sectors including technology development, consulting services, importation and distribution of raw materials for the Israeli feed industry and construction and operation services of commercial centers and tower management for leasing. In addition, Baran's advanced technology capabilities enable the company to develop, manufacture and market keyboards and Human Machine Interface (HMI) solutions under the brand Everswitch for use in petro-chemical, food and pharmaceutical industries. This technology was embraced by the Bosch Siemens Hot Products as the standard technology for their new high-end model of cooking hobs.

For more information about Everswitch, see: www.baran-at.com

Key Events Timeline 1979-2010

- 1979** Baran Ltd founded in Beer-Sheva by seven partners to provide construction services and engineering solutions for the industrial companies in Israel in a wide range of sectors including: food, beverages, chemicals, pharmaceuticals, petroleum, ceramics, base metals, coal, plastics, rubber, textiles, tobacco, wood and wood products, paper and paper products and more. The first CEO was one of the founding members, Meir Dor.
- 1983** Baran Group creates **Baran Engineering & Projects Ltd** – specialized in the engineering and construction of water purification plants.
- 1986** Baran Group creates **Baran Advanced Technologies Ltd** – develops, manufactures and markets durable keypads and switches for industrial use in harsh working environments and climates.
- 1988** Baran Group creates **Baran Raviv Ltd** – specializes in turnkey projects of telecommunication network infrastructure.
- 1993** Baran enters into a partnership with Industries Centers E.O.D Ltd, which gives Baran a foothold in the agriculture industry by providing solutions and services for a wide range of agro-projects in Israel and abroad. In recent years, activity has broadened to include importing and marketing of livestock feed and manufacturing organic compost for organic agriculture.
- 1990** All Baran companies are united into one entity under Baran Group Ltd.
- 1992** Baran Group Ltd goes public with a listing on the Tel-Aviv Stock Exchange (TASE) with ticker BRAN.
- 1994** Baran Group establishes Nes-Pan Ltd as a joint venture with the Samy Katzav Group (50%) and Baran Group (50%) as an entrepreneurial company in the international residential and commercial real estate sectors through management of office buildings, power centers and logistics parks as well as residential real estate.
- 1999** Reorganization within Baran Group creates six divisions operating under the Board of Directors.
- 2000** Baran Engineering & Projects Ltd receives the ISO 9001 certification from The Standards Institution of Israel.
- 2001** Baran purchases the majority of shares in Westmontage, a German telecom company. This allows Baran strategic access to the international telecommunications market in Europe.
- 2002** Baran Group establishes a CSR department headed by a CSR Manager to execute Baran's community practices and guide overall responsibility practices including collaborative relationships with non-profit organizations and employee volunteering.
- 2004** Baran Engineering & Projects Ltd receives ISO 14001 certification from The Standards Institution of Israel.
- 2006** Baran Group is reorganized to create three operational divisions – engineering and projects, telecom, technology and investment – in order to provide greater focus and efficiency in Baran's global operations.
Baran Engineering & Projects Ltd, Baran Projects Construction Ltd and Baran Industries Ltd receive ISO 18001 certification from The Standards Institution of Israel
- 2008** Baran Group enters a partnership with Russian investor Alexander Nesis in order to expand operations in Russia. The partners found a company, Investments Construction Management (ICM), in which they hold equal shares, for their joint operations in Russia.
Baran achieves a Platinum ranking in the Maala annual CSR Ranking of leading companies in Israel.
- 2009** Baran celebrates 30 years of engineering sustainable solutions.
Baran publishes its first Sustainability Report.
Dr. Elhanan Abramov is appointed as Baran Group's CEO.
Baran employees begin a volunteering program with College for All non-profit organization, helping children from underprivileged communities to realize their potential.
Baran maintains a Platinum ranking in the Maala annual CSR Ranking of leading companies in Israel.
- 2010** Baran Group sells Nes Pan, its subsidiary company in the real estate sector.
Baran maintains a Platinum ranking in the Maala annual CSR Ranking of leading companies in Israel.
Baran Group receives the Maala Platinum Corporate Responsibility ranking for the 3rd consecutive year
Baran Group participates in the revision process for the Israeli green building standard with the Israeli Standards Institute.
Baran Group joins the Israeli Forum for Diversity Hiring, a forum of organizations from the public, non-profit and business sectors, founded for the purpose of promoting and embedding inclusive hiring practices among businesses in Israel.

Vision And Values

Since its establishment in the late 1970's, the Baran Group has succeeded in securing market leadership among Israel's engineering companies, winning the highest esteem of the professional and business community and in making a unique contribution to Israel's industrial infrastructure. The Baran Group intends to become a recognized global provider of engineering and technology solutions to turnkey projects for communications and industrial businesses. The Baran Group continues to promote its management and engineering capabilities, relying on the hands-on involvement by senior executives, nurturing the entire staff, and continuous improvement of the company's unique work environment. The Baran Group's strategy for sustained growth is to continue its development and expansion locally and internationally while maintaining profitability in a sustainable way.

The Baran Group Vision

Become a recognized global provider of sustainable engineering and technology solutions.

The delivery of this vision is supported by a base of strongly embedded values, which date back to the early days of the founding of the Company and which are respected every day in every single business decision. There are eleven comprehensive core value statements which guide Baran people in their daily work.

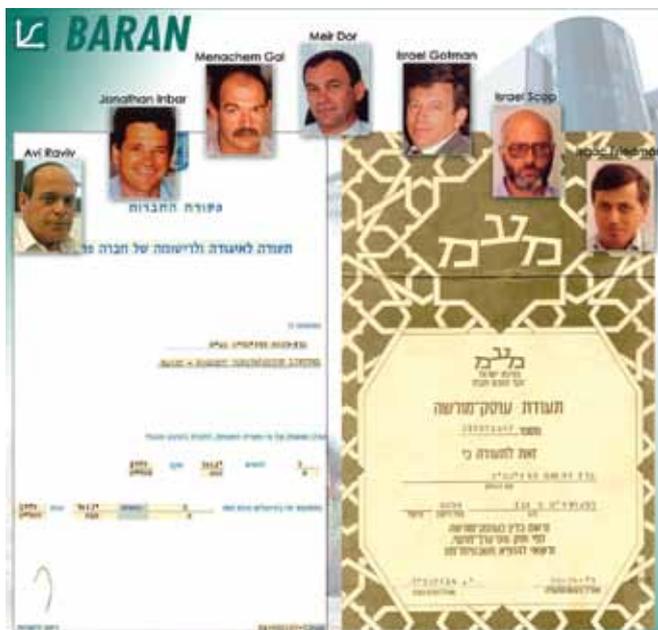
Baran Values

Deliver business goals	Maximum personal commitment to promote the organization's goals based on cooperation, mutual respect and understanding.
Enhance stakeholder value	Increase the market value of the Group, its subsidiary companies, business units and employees, whilst ensuring the continuous allocation of the Group's profits to employees, executives and shareholders, in the form of dividends and bonuses.
Maintain integrity	Nurture personal and business relationships based on honesty, friendship, respect, support, credibility and attentiveness.
Improve continuously	Focus on personal, professional and business efforts to meet the Company's goals, while aiming for continuous learning and improvement.
Respect procedures	Adherence to the company's rules, regulations and decisions while retaining the freedom of thought, argument and preliminary discussion.
Learn continuously	Willingness to engage in specially concerted efforts to provide the client with the best quality service and solutions.
Deliver excellence	Aim for project excellence execution while implementing a reach safety culture and maximizing environmental stewardship.
Nurture relationships	Nurture long-term friendly and professional relationship with clients and suppliers.
Enhance efficiency	Aim for optimal return on quality services and products, while maintaining maximum efficiency.
Invest in communities	Maintain involvement and social accountability of Baran Group and its employees to community and national issues, through the provision of engineering services to the community.

The Baran Spirit By Baran Group's - Founding Members

The Baran Spirit was established with the founding of Baran back in 1979 and lives on today throughout all Baran's operations. Some of the founding members remain involved with the Baran Group as Board or Executive Management Team members, though others are enjoying a happy retirement. One of the founding members, Menahem Gal, passed away in 2004 (RIP).

In preparation for this writing this report, we gathered the founding members of Baran, who had not met together as a group for some years, for a historic meeting to see if they could help explain the strength of the Baran Spirit which is embedded in the company culture. How were they able to develop such a strong sense of identification with the company's goals and objectives? Was this an intentional and deliberate process or an outcome of their personal leadership styles? How did the group of seven, different individuals manage to create a cohesive and inclusive leadership style which new hires to Baran today can still recognize and gain inspiration from?



Five founding members who participated in the meeting were:

- Meir Dor (currently Baran Group Chairman of the Board)
- Itzhak Friedman (currently Head of Infrastructure Division Strategy)
- Israel Gotman (currently Head of Russia Division)
- Israel Scop (currently retired)
- Jonathan Inbar (currently retired)

As we listened to the founding members of the Baran Group voice their recollections of how they started and led the company, we were left with a strong impression that, no matter which one was talking, they were all saying the same thing.

Even after 30 years, this group remained cohesive and aligned and strongly representative of the core values they brought with them as they started up their business together, and which have largely stood the test of time in the Baran Group of today.

The following are some of their insights:

Trust

We worked on "blind trust" - we were all committed to transparency in everything we did, and we trusted each other explicitly.

We founded the Company based on three main principles: trust at every level, credibility and faith in our actions.

Our relationships with our customers were special and often unwritten, extending beyond our formal contracts. This created trust and long lasting relationships with clients.

Solidarity

Decisions were taken unanimously, and everyone stood by each decision.

The partners knew we could always count on each other, even in hard times.

We were friends first.

We had no secrets, we always shared information and knowledge with each other and our employees.

Motivation

Our initial motivation was to create financial security for ourselves and our families. We knew that if we did the right things in the right way, the profits would follow.

We all believed we could make a difference and were motivated to perform and make it work.

Technological Excellence

The constant search for new industries and technologies helped the Company develop and grow.

It was important to us to provide high quality work. We wanted to provide our clients with a true solution for the challenges they faced. It was important to us to be leaders in our field, from a professional standpoint.

Partnership And Teamwork

We all had complementary skills, in which everyone could cover for everyone else but we each had specific leading expertise that we could draw on to develop new solutions for clients. We all helped each other out.

Friendship, a willing to make sacrifices, admitting our mistakes and understanding that it's OK to make mistakes were important aspects of our team.

We partners had complementary characters: we played our own instrument to create a great symphony together. The partners worked side by side with our employees in true team work spirit. Giving a personal example to our

employees was of important to us and inspired people to follow us (and not necessarily because of the pay-check). At the outset, all partners and managers received the same salary. And the profits were shared. This provided an equal incentive or everyone to work hard and make a profit while meeting the needs of the customers.

Values

We were eager to make a profit, but not in any price – our values were more important.

The company's slogan when we started out was "Baran is our home" – because we had a true feeling that we were building a second home for ourselves and our employees as we developed Baran.

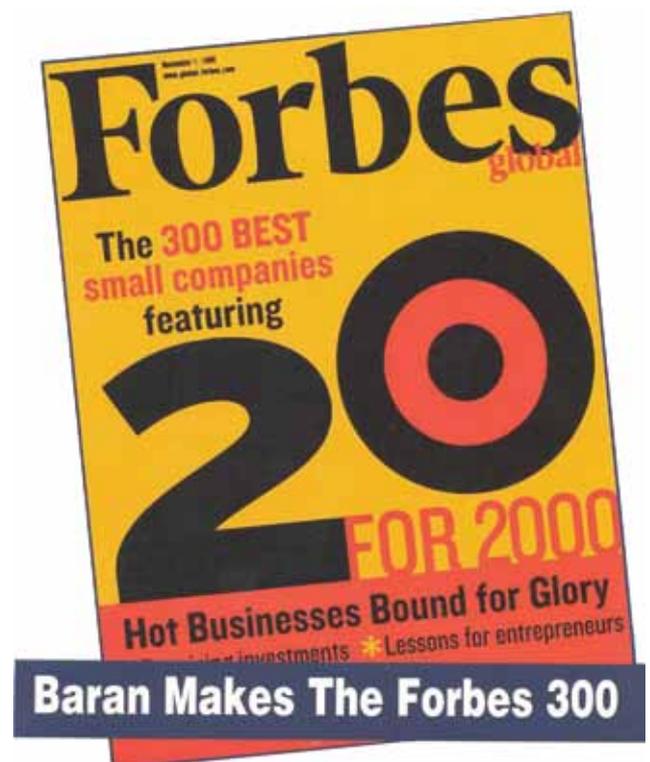
We worked on the basis that "spirit is profit".

The way in which the stories of Baran's founding and the early pioneering days are still told today is evidence that there is a deep identification with the early aspirations of the Company and that the values are deeply embedded.

The Future

The way the founders developed and led the company has enabled Baran to be what it is today. The abilities of the current leadership are responsible for setting the tone of the company as it operates today to define its success for the future.

I would like to see those that continue Baran to build on our foundation by recreating their own spirit. It doesn't have to be exactly the same as long as it's positive."



Awards And Recognition



Baran Group was ranked 128th on the list of The Top 200 International Design Firms And 210th on the list of The Top 225 International Contractors by The Engineering News-Record for the Year 2009 published in the US.



Baran Group was ranked 1st on The Largest Project Management Engineering Firms in Israel for the Year 2009 published by D&B, a leading business information company.



Baran Group was ranked Platinum in the 2009 and 2010 Maala ranking of the leading Israeli companies. "Maala - Business for Social Responsibility" is a not-for-profit organization which publishes the only annual Corporate Social Responsibility ranking of Israeli companies traded on the Tel Aviv Stock Exchange. There are three ranking levels – Gold, Silver and Platinum, where platinum is the highest ranking. Companies who participate in this ranking are included in the Maala Social Responsibility index on the Tel-Aviv Stock Exchange. Baran Group is the only engineering company in the list of Platinum ranked companies.

For more information about Maala and the ranking, see: www.maala.org.il



'Beautiful Industry' 2009 and 2010 - Baran received 5 Stars (the highest number possible) from the Council for a Beautiful Israel (CBI) as part of the rating of the external work environment of Israeli companies. CBI promotes environmental beautification by raising awareness of environmental values through educational programs and exemplary projects. Each year, the Council for a Beautiful Israel holds competitions in different sectors. The competition in the industrial sector (for factories and industrial parks) is called "Beautiful Industry in a Beautiful Israel". The award is made for thoughtful and aesthetic design and attention to sustainability.

For more about the Beautiful Israel Council, see: www.israel-yafa.org.il

Part Two

Engineering Sustainable Solutions

Manufacturing
Telecommunications
Transportation
Energy
Healthcare
Sport



Sustainable Infrastructures

As the largest engineering company in Israel, a pioneer in green building projects and the first company in Israel to become a LEED building certifier, Baran Group plays an important role in the development of sustainable infrastructures on behalf of business and governmental customers in Israel. In addition, Baran's operations throughout the world make Baran a similarly important partner for the provision of engineering solutions in many different countries.

Engineering is at the base of much national and industrial activity in all countries which need roads, waterways, utilities and all forms of networks and construction projects in order to provide for economic and social development and improve the quality of life of the country's population. At the core of Baran's business is the approach that every such project is an opportunity to create sustainable infrastructures which will serve current needs while ensuring a positive environmental legacy for future generations. In working on all projects for all customers, Baran considers all aspects of sustainable development at each stage and assumes responsibility for advising customers on sustainable options, even if these were not part of the original work brief provided by the customer.

For Baran, engineering solutions for sustainable infrastructures include early stage conceptual planning, through the design phases and selection of construction materials to execution and completion. At each stage, all environmental risks and opportunities are assessed and Baran supports customers in making the right planning decisions which will achieve business objectives while ensuring the optimization of the environmental and social impacts of each project.

Over the years, Baran has specialized in certain industries and is seen as a leading provider of EPCM services in the telecommunications, transportation, gas distribution and petrochemical sectors, in addition to Baran's ability to support any kind of sustainable engineering solution in any type of operation.

Engineering Sustainable Solutions: Manufacturing

Freight Transportation In Russia

A multi-year infrastructure transportation project

Since 2005, Baran Group has been active in the Russian market as the key partner in a \$1Bn project to construct freight cars in Russia, which is a major infrastructure development, designed to improve Russia's economic positioning and competitiveness with other East European markets and improve the socio-economic standard in the country. The project is scheduled for completion in 2011, at which time the town of Tikvin, Russia, will be the host to the most advanced state-of-the-art freight car manufacturing operation in Eastern Europe with a capacity to produce 10,000 freight cars per year in line with the most stringent quality and environmental specifications.

Baran's extensive experience in managing turnkey projects, together with advanced knowledge of the environmental systems, made Baran the right partner to supervise this project as well as ensure that aspects related to environmental sustainability were embedded in the project design and execution as far as possible. Building on Baran's specialist knowledge and expertise, Baran initiated the incorporation of international standards relating to responsible industrial and construction waste disposal, which are more stringent than local legally required standards in Russia.

In order to support work on this project, Baran entered into a partnership with a local Russian firm and a joint venture company was established to ensure strong local management and control. Ten qualified staff from the Baran Group in Israel relocated to St. Petersburg for the purpose of working on this project while over 35 additional employees were hired locally and provided with the necessary training to work on this project. This local team is supported by a 45-strong team based in Israel, hired specially to work on this project.

Engineering solutions – it's all about people

The Russia freight cars project posed some complex staffing issues for Baran, which have been addressed in a considerate way for all employees involved. Ultimately, Baran's ability to succeed on this project was dependent upon implementing the right people solutions while accepting responsibility for the impacts on people of such a unique working environment. There are three groups of employees for whom special consideration was needed to ensure comfort and fair treatment as they work on this multi-year project.

Local employees

It is Baran's policy to hire locally wherever possible as part of Baran's commitment to supporting local economies and communities in locations in which the company operates. Immediately upon starting this project, therefore, Baran set out to recruit several local employees. However, the location of this project in a small town, 200 km east of St. Petersburg, made the identification and selection of suitable local employees with relevant experience somewhat of a challenge. However, Baran offered a competitive package for locals and a range of incentives and succeeded in hiring an appropriate team, supplementing their skills with training as required. This is a significant boost for the local population in a small town of only around 60,000 residents.

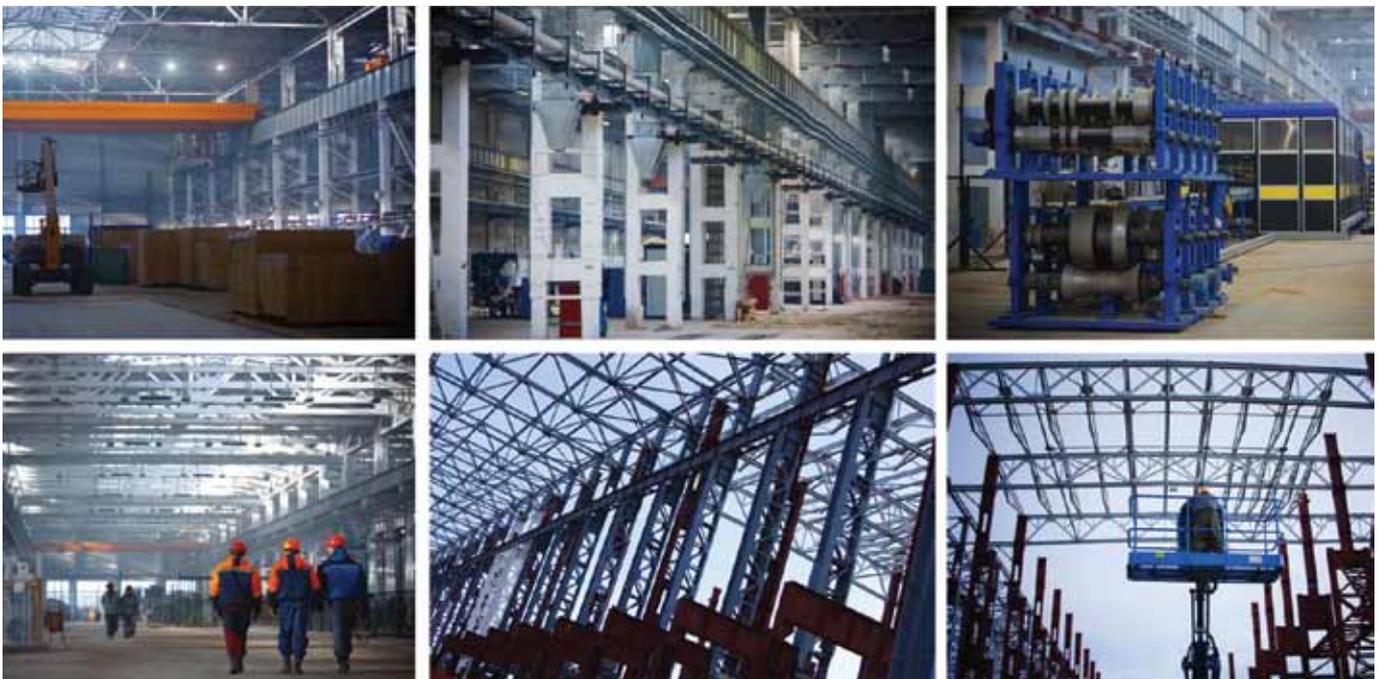
Israeli employees on assignment in Tikhvin and St. Petersburg

This long-term project required specialist Israelis to relocate for the duration of the project. Tikhvin is a small town, difficult to reach, with a climate that is somewhat harsh in comparison to the Middle Eastern sunshine. Not surprisingly, employees who relocated to Tikhvin and St. Petersburg would face many personal challenges. In order to ensure fair and supportive compensation for employees on assignment, Baran developed a special package to assist employees in maintaining a decent quality of life while on assignment. All employees on assignment continue to receive their local Israeli salary and benefits and in addition receive a local package which is more

than adequate to cover their costs and all living expenses. Employees receive additional vacation days and paid visits home and visits to Russia by family members. While in Tikhvin, Baran encourages local social activities as well as organizing trips and tours to enable employees to learn about the history and culture of Russia.

The Russia team in Israel

The team of engineers hired to support the Tikhvin freight cars project is based in Baran Group's Head Office in the center of Israel. The team is a mix of locally-born Israelis and Russian-born Israelis who have immigrated to Israel in recent years. Both groups have different backgrounds and cultures. Moreover, since some of the employees did not grow up in Israel, their familiarity with local history and culture is limited. Recognizing that such cultural gaps can often become obstacles to effective teamwork, the Russia Division Human Resources Manager at Baran was intent on ensuring the development of a team spirit and inclusive approach. A series of education and cultural visits to important Israeli historic, religious and cultural sites were organized for the entire team as well as outdoor trips in the countryside of Israel, in order to familiarize new immigrants with local culture while enabling the team to get to know each other in a social setting, learn from one another and appreciate and value differences. In this way, a special team spirit was instilled in the Russia team in Israel and working across cultures and across borders, supporting the team located in Tikhvin, has been highly successful.



The freight cars manufacturing plant in Tikhvin

A Dairy Plant Project With Social And Environmental Opportunities

In 2010, a leading Israeli dairy manufacturer obtained government funding to relocate its dairy plant in Tel Aviv to Noam Industrial Park, located near the southern peripheral city of Sderot, in line with government support for the development of this economically-challenged area through job creation and the provision of an infrastructure for regional growth.

In determining the plans for the new plant, Tara Management identified an opportunity to build an energy-efficient operation and strive for minimal environmental impacts of the new plant as far as possible. Baran has vast experience and skill in engineering turnkey projects with environmentally friendly technologies and was able to advise the customer on aspects such as environmentally preferred waste treatment processes, use of recycled materials in the plant construction and energy efficiency processes to optimize resource consumption and use.

In addition to the environmental contribution of the new Tara dairy, establishing the new plant in the Negev desert has an immense social benefit for the area's population, creating 500 direct jobs in the area and additional 1,500 jobs in sectors servicing the plant. Baran's Project Manager for the Tara Dairy project said: "By managing this project, Baran does more than construction – it is part of one company's larger efforts towards environmental and social practices. I believe in the importance of green building and glad to be a part of this."

For more information about Tara, see: www.tara.co.il



Reducing Industrial Waste

ICL Industrial Products, a major Israeli producer of bromine, had been struggling for many years to find a solution for the disposal of large quantities of industrial waste until such a solution was implemented in one of its plants in Holland. A Swiss company called Clean Technology Universe AG (CTU) had built a thermal treatment unit, which constitutes a breakthrough solution for treating industrial waste created during the process of bromine production. The treatment unit is able to treat waste that is stored in barrels, for which there is usually no alternative for disposal other than landfill. The proposed solution, The Bromine Recovery Unit (BRU), employs thermal treatment technology (burning) to eliminate the factory's organic waste. This process has two positive bi-products. The first is HBr (Hydrogen Bromide), a raw material used in the production of bromine, which is recycled back into the production process after treatment in a 25%-30% concentration. The second is steam power, generated by the heat from burning the waste at 7.2 tons per hour. This is harnessed for pre-heating the BRU itself as well as for use in other processes in ICL's manufacturing plant.

Baran Group, given the Company's engineering expertise, experience in managing complex collaborative projects and competency in implementing environmentally friendly solutions, was selected to coordinate the commissioning of the BRU in ICL's plant in the south of Israel, from the planning phase through to the final testing phase on a turnkey basis.

One of the most significant challenges was ensuring an effective collaborative process between Baran engineers, CTU, ICL and the many contractors and suppliers involved in the different aspects of the project implementation. In order to ensure a cohesive process to manage this multi-year project, Baran established a dedicated partnership which included members of Baran and CTU teams.

"This project was a critical to ensure compliance with new environmental regulations and providing positive impacts by protecting the environment. Furthermore, this kind of project has the additional advantage of introducing new, ground-breaking technology into Israeli industry which improves both our competitiveness and sustainable operations." **Gershon Granot, Baran Project Manager.**

This was an important project in which Baran was able to demonstrate its ability in engineering sustainable solutions.

Earthquake Resistant Solutions

In 2008 Baran Group, through its daughter company Baran Engineering and Projects Ltd, was hired to provide planning services for a multi-million dollar hydro cracker project for the customer Oil Refineries Ltd. The first phase of the project planning was completed in 2009. Baran's involvement with the project continued in 2010, with the provision of engineering services including civil and mechanic engineering, and the planning of static equipment and pipes system. During the entire project, Baran continuously assessed environmental risks and suggesting appropriate environmental engineering solutions.

As with all major projects of this size and scale, Oil Refineries Ltd was obligated to submit environmental surveys in order to receive relevant permits from municipal authorities and government offices. Baran managed this entire process and succeeded in obtaining all the necessary permits for the project to move forward.

One additional rather unique aspect of this project was the specific implementation of earthquake resistant standards. These standards were updated in Israel in recent years in order to meet the higher level of similar standards in earthquake-prone countries. Baran is one of the first engineering companies in Israel to lead the implementation of Israeli Standard No 413, which covers earthquake resistance processes and structures, in the planning of an industrial project on such a large scale.

In fact, Baran continues to contribute the Company's specific experience in this area, to support the development of an updated Israeli Standard and participates in the Advisory Committee of the Israeli Standards Institute on a voluntary basis.



Engineering Sustainable Solutions: Telecommunications

Building A Communications Infrastructure In Israel

Baran Group has played a significant role in establishing and advancing cellular communication infrastructure in Israel, supporting its availability to all regions of the country and helping to shape the market as we know it today. The Israeli cellular infrastructure makes a strong economic and social contribution to the quality of life in Israel.

Baran Group was a pioneer in supporting the establishment of this cellular communication infrastructure in Israel. In the 1990's, as cellular phones quickly became a significant feature of the Israeli landscape and communication companies needed to bolster their activities and infrastructures to meet market demand. Israel's three cellular operators were working to "wire" the country and make services available from in a wide network of locations. Baran's work in this area began in 1994 with the construction of the cellular infrastructure for Cellcom Israel, and later for a second leading provider, Pelephone Communications.

In 1998, Baran commenced work with the remaining of the three leading cellular communications providers in Israel, becoming Partner Communications' exclusive supplier for infrastructure development, solely responsible for the construction and maintenance of over 1,500 sites and 6 Switch Centers. Baran's work included issuing permits and building sites with strict adherence to environmental regulations, with special considerations relating to cellular radiation and other environmental codes. Today, Partner Communications employs over 7,700 people and has over 3 million subscribers.

Communications Infrastructures In The Global Village

In emerging economies, the development of cellular communications infrastructure is a major contribution to economic development, often providing first-time access to any form of communication to many remote populations while developing low-cost connectivity to people who use cellular communications as tool for all forms of transactions including opening bank accounts. Baran's

development of cellular infrastructures has extended well beyond the borders of Israel into several emerging economies. For example, Baran has constructed a cellular network in the Congo for the largest service provider there, in the framework of a turnkey project with over 100 communication sites, many of them in distant locations where residents had previously not had access. Over 2 million subscribers in the Congo now enjoy immediate connectivity.

Providing A Platform For Satellite Accessibility

The pioneering spirit Baran had demonstrated in the 1990's with supporting the telecommunications infrastructure in Israel was just the beginning of a country-wide communications transformation. In 1999, YES, a provider of multi-channel television broadcasts via satellite, entered the market as the first company to offer digital broadcasts and interactive television services. The YES roll-out was truly a major innovation in communications and entertainment infrastructure in Israel and Baran was selected to provide sustainable engineering and operational solutions in a swift, nationwide deployment on a turnkey basis.

Building the YES infrastructure included testing equipment, planning new engineering approaches and managing installations. Baran engineers provided unique support for this rollout which was completely innovative in the local market, installing around 400 satellite dishes per day in private homes and commercial buildings. In order to support the major scale of this market development, Baran created a "Satellite Academy", conducting week-long courses and certifying thousands of technicians.

Baran supported the roll-out of satellite connectivity for a period of two years, handing over the continued expansion of the technology to YES after this period. Today, over 578,000 subscribers are hooked up to YES's satellite services.

The comprehensive, reliable infrastructure Baran implemented on behalf of YES has enabled the growth of the media and entertainment market and encouraged production of original, creative content.



Engineering Sustainable Solutions: Transportation

Upgrading Israel's Highways

The maintenance and upgrading of a country's road infrastructure is a regular responsibility of any national transportation authority and is critical for economic development and road safety. However, all changes to road infrastructure have significant environmental implications and require great sensitivity in addressing environmental issues.

In 2006, the Israeli Ministry of Transportation identified that two key traffic arteries connecting the north of Israel to the center of the country, Highways number 65 and 85, were in need of significant upgrade in order to improve safety conditions on these roads and allow an easier connection between peripheral areas and key central cities. No substantial work had been done on these northern main roads for over 20 years and upgrading them was long overdue. The environmental challenges in planning these upgrades were significant. Both Highways 65 and 85 pass through unique scenic landscape, which constitutes one of Israel's most significant natural habitats.

Baran's extensive experience in green construction and environmental engineering solutions placed Baran top of the list in the selection of partners to work on this project. In 2006, The Israel National Roads Company commissioned Baran to manage the work of rebuilding a 27.5 km long section of Highways 65 and 85. In the first stage of the project, Baran conducted an environmental survey of the area in accordance with guidelines set by the Ministry for Environmental Protection and delivered a comprehensive Environmental Report detailing all environmental risks, challenges and opportunities involved.

Baran engaged external environmental experts to review detailed environmental aspects of the project, as well as initiating a stakeholder dialogue process with all those who may be affected by the upgrading of Highways 65 and 85. The stakeholders that Baran consulted included The Israel Nature and Parks Authority, the Jewish National Fund, the Israel Antiquities Authority, local municipality mayors and chief engineers and other local officials and representatives.

Baran held multiple meetings and tours at the sites of the highway upgrades with stakeholder representatives and concerns raised resulted in modifications to the proposed changes. For example, Highway 65 was due to pass through a historic cemetery and also a pond sustaining two species of toads in danger of extinction the Green Toad (*Bufo viridis balearicus*) and the Eastern Spadefoot Toad (*Pelobates syriacus*).



Green Toad

Eastern Spadefoot Toad

The planned changes would also cause disturbances to the natural habitats of other wildlife. To address this, Baran worked creatively in cooperation with Israel Nature and Parks Authority, and local ecologists to build wildlife crossings along Highway 65 that connect natural habitats and allow wildlife to safely move about and cross the road. Another environmental achievement of the project encompassed in the plan that Baran proposed, in collaboration with the support of the Israel Nature and Parks Authority and other environmental organizations, was the removal of an embankment which to date has blocked three important rivers in the area. Through the construction of a special bridge, Baran proposed enabling these three rivers to run their natural course, thereby protecting natural biodiversity and water flows in this northern part of Israel.



Additionally, in considering the needs of both nature and people, Baran encountered another issue in the planning phases. Kibbutz Kadarim, a small community of about 150 residents, was located in the future path of Highway 65, and reconstruction would block the entrance to this Kibbutz which is also an important tourist facility. The proposed plans for the highway upgrade were therefore modified to include moving the entrance to the kibbutz.

"This project was not easy to plan because of the many environmental issues to consider. Baran ensured complete compliance with the law and much more. The Baran Project Manager was freely available and answered any concerns that arose." **Menahem Assaf**, Infrastructure Manager, Israel Nature and Parks Authority.

At the end of 2010, this project was awaiting final approvals from The Israel National Roads Company before proceeding with construction work scheduled between 2012 and 2015. Baran's ability to engineer sustainable solutions is expected to be a key ingredient in a successful project which will meet the needs of both environmental and community stakeholders.

Advancing The Age Of Electric Vehicles

Gasoline-powered vehicles are a major contributor to carbon emissions in the developed world, accounting for 33% of carbon emissions in the United States, and as much as 50% of carbon emissions in some of the countries in Europe. Gasoline-powered vehicles also contribute to air pollution, which is increasingly problematic in urban centers around the world. According to the World Health Organization, 900,000 people die each year from causes directly attributable to outdoor air pollution. To achieve major emissions reductions, energy efficiency of transportation systems must be increased with a shift away from products that burn fossil fuels.

Mass adoption of electric vehicles provides an opportunity to achieve both these goals simultaneously. First, the inherent efficiency of electric vehicles allows us to travel three times farther in electric vehicles than gasoline-powered vehicles per unit of energy. Second, by moving toward electricity-powered transport, we open up new opportunities to utilize excess electricity that currently goes to waste at off-peak times, and to create new markets for renewable energy from wind, solar, geothermal and tidal sources.

One of the most promising breakthrough technologies to be developed during the last 5 years is that of the Electric Vehicle (EV). Nearly every major automaker has an active program to develop and introduce EVs, ultimately providing the consumer a broad range of options.

EVs typically have half the moving parts of their gas combustion engine counterparts and generally lower maintenance costs are expected. In the coming decade, EVs will be at the center of mainstream personal

transportation, delivering significant environmental and sustainability benefits.

A leading protagonist and a true visionary in this field is the Israeli company Better Place. Better Place is building the infrastructure and intelligent network to deliver a range of services to drivers to enable the widespread adoption of EVs through popularizing access to this technology. This includes a network for electric transportation consisting of vehicle charging stations and an electronic payment system. In 2010, Baran Group joined this vision and mission to 'green-up' transportation by entering into a partnership with Better Place Israel to design and build battery replacement stations. The battery replacement stations will be built by subsidiary Baran Industries (91) Ltd. during 2011.

"We, at Baran Group, believe in the future of the Electric Vehicle, and see ourselves as leaders in developing the necessary infrastructures in Israel and abroad." **Eli Abramov**, CEO, Baran Group.

The battery replacement stations will ensure continuous travel of more than 160 kilometers without the need to recharge the batteries. This is considered the most advanced technology in the world for electric transportation. The battery replacement stations developed by Baran will be the model for the stations to be built in other countries, including Denmark, Australia, and the U.S.



Baran Group has adopted a leading-edge position in "Green Engineering" and delivers many alternative energy projects including solar panel installation, natural-gas distribution systems and green building. This collaboration with Better Place to develop sustainable a transportation system brings Baran a step further in its commitment to sustainability and enables the Company to utilize its expertise and knowledge in this ground-breaking initiative.

"Battery replacement stations are the most advanced technological solutions for lengthening the EV's driving range, and we are pleased to have found a partner and receive a vote of confidence from another Israeli company, Baran Group, a global leader in its field." **Moshe Kaplinsky**, CEO, Better Place.

For more information about Better Place, please visit: www.betterplace.com.

Engineering Sustainable Solutions: Energy

As the world transitions to a low carbon economy, natural gas is an important element in the objective to reduce carbon emissions from fuel. Although natural gas is a fossil fuel, it is significantly "cleaner" than coal production. Gas contains 25% less carbon than oil and generates 50% less carbon per kilowatt hour than coal and significantly fewer nitrogen dioxide emissions. Burning natural gas produces virtually none of the sulfur, mercury, or other health-threatening pollutants that result from coal combustion. All global energy projections show the rise of natural gas as an alternative low carbon fossil fuel that will play a major role towards global sustainability. Baran is committed to supporting this ongoing transition and improved accessibility to natural gas.

Engineering Natural Gas Lines In Israel

Baran has gained a leading position as an Israeli engineering company with experience in construction of natural gas facilities for gas supplying companies. To date, Baran has designed over 200 km of on-shore pipelines, 150 km of off-shore pipelines and 13 stations for the Israel Natural Gas Transmission System. With experience in high-pressure and low-pressure gas supply and more than 70 gas building permits, Baran provides comprehensive sustainable engineering solutions for a wide range of customers, including the government-owned Israel Natural Gas Lines Ltd, founded in 2003 to develop a natural gas

infrastructure for Israel. This project was regarded as highly important for Israeli industry both because of its immense contribution to the county's economy and because of the expansion of a reduced-carbon energy source.

Baran was contracted to provide planning and licensing services for the multi-year project which is still work in progress. Baran has been involved in all phases of the project which includes placing gas pipelines throughout Israel and building distribution facilities that reduce the pressure in the pipes and directing it to factories. In addition, Baran is supporting factories which are converting to use of natural gas instead of diesel fuel to make the transition, by examining factory installations and advising on necessary changes. Two factories have completed this process and during 2011, Baran is working with an additional five large factories.

Since a project of this scope has substantial effects on the environment and natural landscape, a full environmental mapping and landscape reconstruction analysis was required. Baran engaged intensively with ecological and agronomic consultants in order to develop the optimum sustainable solutions.

One of the main challenges was defining the work area around the pipeline, where heavy machinery operates and risks affecting the natural landscape. In order to reduce possible negative impacts, Baran reduced the working area around the pipes from 25 meters to 15 meters.

Another challenge of this project was the ecological and hydrologic landscape reconstruction and rehabilitation of the areas affected by the construction required to minimize effects on the natural landscape and biodiversity.

Rehabilitating the ecosystem damaged during the excavation and construction work around the pipes included placing boulders in a way that benefits the ecosystem and prevents erosion, bringing soil of local origin to enable the regrowth of natural vegetation.



Powering Up With Solar Energy

Baran has undertaken numerous solar power projects in Israel, supporting the development of solar as a viable energy source in Israel. Solar energy is one of the most significant sources of clean energy. Understanding the importance of reducing carbon emissions generated by energy sources for global sustainability, as well as the growing market for solar energy, Baran has developed unique expertise in the planning and installation of solar energy systems. In 2009-2010, Baran supported the installation of 2.5 megawatt per hour of solar energy panels which is equivalent to the electricity consumption of nearly 600 households in Israel.

One of Baran's solar projects includes the erection of a pilot 'Solar Tower' for BrightSource Industries in 2008, which was designed as a pilot to demonstrate the energy efficient technology of solar thermal power. BrightSource designs, develops and sells solar thermal power systems that deliver clean energy to utilities and industrial companies. The tower, using unique proprietary technology, was built in the south of Israel where there are high levels of sunshine all year round.

The solar tower includes 1,600 mirrors to focus the power of the sun on a solar receiver atop a 60 meter power tower. The system, which produces 6 megawatt/hour of electricity, is much more cost effective than standard solar power facilities. This installation is currently only used for demonstration purposes and the energy potential is not utilized. However, its use as a demonstration model for intensive generation of solar energy has been highly successful and has led, for example, to the adoption of this technology by a leading energy company in the U.S.



Solar Energy For Wine Production

The Dalton Winery was established in 1995 in the beautiful mountainous area of the Upper Galilee.

The winery has seven wine series and produces about 800,000 bottles annually.

In 2009, Baran was contracted to plan, procure and install solar panels on the winery's 900 square meter rooftop. A combination of geography, the right equipment and expertise of the Baran team enabled utilization of the full potential of the roof surface for the production of clean energy.

The winery's location in a mountainous, cool and sunny area makes a good starting platform for an efficient solar energy production. Using our experience and vast knowledge in the field, Baran purchased high-quality 280v solar panels for this project created two systems generating 160,000 kWh of electricity each year.

The electricity that is produced is channelled into the Israeli Electric Company's national grid. This project, as well as other solar energy projects in Israel, was made possible due to Israel's feed-in tariff scheme from 2008 which enables companies generating their own electricity to benefit from tariff reductions in return for alternative (non coal-combustion) energy provided.

From the time the solar panels were installed and approved in late 2009, the winery has produced 600 kWh per day of energy, reducing carbon consumption by over 150 tons of CO₂ on an annual basis.

"Baran were very thorough and extremely professional in their work and their conduct. Thanks to their work and expertise, our solar energy system is considered the best in the country."
Moshe Haviv, CEO, Dalton Winery

For more about Dalton Winery, please visit:
<http://www.dalton-winery.com/>



Engineering Sustainable Solutions: Healthcare

Enhancing The Infrastructure For Health



Since 2004, Baran Romania, a company of the Baran Group, has been managing a turnkey project of the renovation of Constanza County Hospital in Romania, due for completion in 2012. Baran provides management, planning, procurement and construction services to the two clients behind the project: Constanza County and the Health Ministry of Romania. In addition to renovation work, the project includes the construction of new hospital departments, for example, cardiology operating rooms built to cutting edge standards that are first of their kind in Romania.

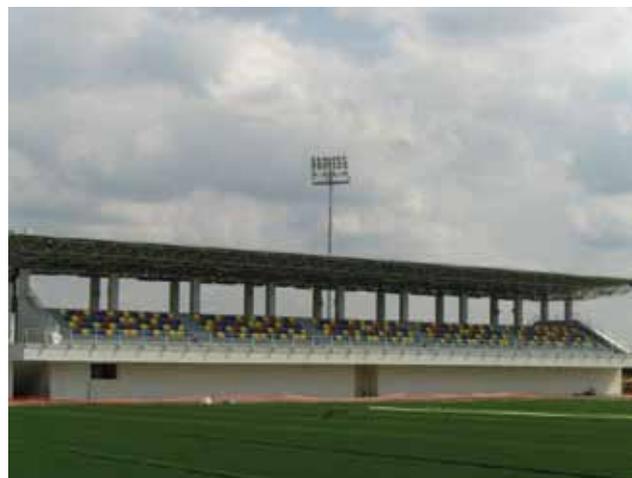
In order to execute this project successfully, Baran Romania hired the services of several local contractors to perform the local construction work, while retaining overall responsibility for delivering the project on time and in the right quality as required by the clients. In this way, Baran both contributes to local economic development and helps raise the standard for sustainable engineering solutions in Romania through careful guidance of local contractors in meeting advance construction standards.

One of the major challenges in this project is working within a "live" hospital, where construction areas are sometimes only a few meters away from operating units. This required careful planning and consideration of schedules and construction methods and of course requires the utmost sensitivity regarding the needs of the hospital patients at all times. Baran's Project Managers engaged widely with the hospital management and other stakeholders to ensure the project was undertaken with the greatest attention to local needs and patient care requirements.

Engineering Sustainable Solutions: Sports

Advancing Sports

During 2009, Baran Romania commenced work on a major project to enhance the sporting infrastructure in Romania with a three year project to build three soccer stadiums for the Romanian Football Federation. Beyond the project management and construction work, Baran's advanced expertise and experience, together with the involvement of specialists in engineering of soccer stadiums to the Fédération Internationale de Football Association (FIFA) standards, enabled the integration of the most advanced sustainable engineering standards available in Romania for the benefit of a thriving sports culture in the country.



Part Three

Managing Our Impacts

Governance and Ethics
Stakeholder engagement
Sustainable solutions for customers
Sustainable workplace solutions
Sustaining communities
Sustaining the the environment



Governance

Baran Group Ltd is a public company traded on the Tel Aviv stock Exchange since 1992.

The Baran Group holds private companies and subsidiaries around the world which are either wholly or partially owned by Baran. For a detailed list of all Baran Group's holdings, please see Baran's Annual Report (2010):

<http://www.barangroup.com/SiteFiles/File/Annual%20reports/2010/BARAN%20GROUP%20-%20Financial%20Report%202010%20-%20English%20Version.pdf>

Baran's Governance Structure

The governance of Baran Group is based on the committed, professional leadership of a core group of professionals who support the achievement of Baran's strategy and goals, based on values which are aligned with those of the founding vision. The highest governing body of Baran Group is the Board of Directors which leads the Group's strategy and ensures compliance with all regulations. The responsibilities of the Board include guiding overall strategy, evaluating the performance of the CEO and the Company and setting compensation levels. The board of directors met 8 times in 2009 and 10 times in 2010.

Baran's Board of Directors has seven non-executive members and includes two of the Group's founders, Meir Dor, currently Chairman of the Board, and Itzhak Friedman, as well as three independent external Board members, who have no shareholding in the company, one of whom is female. None of the Board Members acts as executive officers in the Company. Five Board members have accounting and financial expertise.

Baran Group Board Of Directors

Board Member	Roles	Gender	Accounting and Financial expertise	Independent Directors
Meir Dor	<ul style="list-style-type: none"> Chairman of the Board Review Committee for Large Projects 	Male		
Avraham Dotan	<ul style="list-style-type: none"> Audit Committee (Chairman) Remuneration Committee 	Male		
Mordechay Levin	<ul style="list-style-type: none"> Audit Committee Finance Committee Financial Reports Review Committee 	Male	Yes	
Zvi Liber	<ul style="list-style-type: none"> Financial Reports Review Committee (Chairman) Audit Committee Finance Committee Remuneration Committee 	Male	Yes	Independent
Ehud Reiger	<ul style="list-style-type: none"> Finance Committee (Chairman) Social and Environmental Responsibility Committee 	Male	Yes	
Esther Luzzato	<ul style="list-style-type: none"> Audit Committee Remuneration Committee Social and Environmental Responsibility Committee 	Female		Independent
Zvi Valdman	<ul style="list-style-type: none"> Review Committee for Large Projects 	Male		
Giora Shlomo Meyuhas	<ul style="list-style-type: none"> Review Committee for Large Projects Financial Reports Review Committee Finance Committee 	Male	Yes	Independent

The Board of Directors maintains six Board Committees, two of which were established in 2010. These were the Financial Reports Review Committee, appointed in accordance with new regulatory requirements for corporations in 2010 and the Review Committee for Large Projects which is an advisory committee, created as part of Baran's constant efforts to improve both financial and professional processes. The members of this committee are directors with an experience in the management of large scale projects and can advise on the complexities of large projects.

Committee Name	Key purpose of Committee	Number of Members	Number of meetings in 2009/2010
Remuneration Committee	<ul style="list-style-type: none"> Oversees remuneration for Board members, management, and employees. 	3	2
Finance Committee	<ul style="list-style-type: none"> Oversees credit and debt positions. Authorizes financial transactions and commitments. 	4	11
Audit Committee	<ul style="list-style-type: none"> Oversees external auditor's work plan recommendations. Guides stakeholder relationships. Rules on unusual issues occasionally rising from the company's activities. 	4	12
Social and Environmental Responsibility Committee	<ul style="list-style-type: none"> Reviews CSR performance and setting objectives. Oversees management and implementation of all CSR activities. 	2	3
Financial Reports Review Committee	<ul style="list-style-type: none"> Ensures the integrity of Financial Reporting and making recommendations to the Board of Directors. 	3	New committees established in early 2011 – no meetings in 2010
Review Committee for Large Projects	<ul style="list-style-type: none"> Reviews Baran's large projects. Provide the project manager with insights and advice regarding the effective management of the project. 	3	

Selection Of Board Members

Members of the Board of Directors are selected via a process of nominations and discussion at Board level. Individuals are selected based on their experience, qualifications and expertise. During this process, the past performance and ethical record of potential Board members are examined and those who are deemed to have had a positive influence on responsible business practices are eligible for nomination.

Compensation For Board Members And Senior Executives

Considerations for determining compensation packages of Board Members and senior executives are based on the scope, authority and responsibility of their roles and overall contribution to the performance of Baran. There is no direct linkage to sustainability targets, though this is assumed as all projects undertaken by Baran require adherence to sustainability criteria which are built in to project targets.

Mechanisms for shareholders and employees to provide recommendations

Baran holds Annual General Meetings for shareholders as required by law for a publicly traded company, and special General Meetings to cover different issues as they arise. Employees are free to make suggestions and recommendations at all times.

Board of Directors involvement in sustainability performance

Given the importance of sustainability and responsible business practices at Baran, the Company maintains a Board Committee dedicated to sustainability aspects of the Company's performance. The Committee convenes quarterly and receives updates relating to the Company's sustainability performance and projects, guides the direction of these activities, allocates budgets and approves overall targets.

Diversity In Governance Bodies

The gender and age profile of Baran's Board of Directors and senior executive team is as follows:

Level	Total Members	Total Women	% women
Board of Directors	8	1	14%
Senior Group Executives	22	0	0

A Precautionary Approach To Compliance And Risk Management

As a public company traded on the Tel Aviv Stock Exchange (BRAN), Baran Group maintains mechanisms to ensure the company operates within legal limits and to the highest ethical standards.

Baran Group is Sarbanes–Oxley (SOX) compliant in accordance with the Israeli version of this legislation. The Sarbanes–Oxley legislation of 2002 set new or enhanced standards for all U.S. public company boards, management and public accounting firms including additional responsibilities to the board. In Israel, the act was implemented in 2009 with some modifications for the local market. 2010 financial reports from Israeli public companies reflect the Israeli SOX principles for the first time.

In order to embrace this legislation in the fullest and most comprehensive way possible, both to the letter and to the spirit of Israeli legislation, Baran group undertook a process of implementing the SOX principles in all aspects of the company. 150 employees and managers from different departments and units participated in a company-wide process to identify and analyse Baran's core processes and all associated risks, with a focus on financial risk.

Baran does not consider climate change to present a material risk for Baran's business. Baran's engineering skills and capabilities include advanced methodologies including earthquake-resistant structures etc, which in some cases form part of customer specifications or new legal requirements. As a provider of engineering services, Baran is not directly affected by climate change issues but is conscious of customer exposure in new engineering projects and always targets to provide leading edge support.

After completion of this broad consultation and analysis, the Baran Group ERP manager created a set of financial risk indicators that are now used to support decision-making in all Baran projects.

All employees were trained in this process and are now competent to perform their role in applying this risk management methodology.

"Implementation with employees was very effective – they identified potential problems in their areas and now understand how to ensure management is aware of potential risks and ensure appropriate safeguard measures are taken." Shlomo Loutati, Planning and Control Manager, Baran.

Managing Corporate Responsibility And Sustainability

Corporate Responsibility (CR) in Baran is managed by the Corporate Responsibility Manager who reports directly to the CEO. The Corporate Responsibility Manager is responsible for leading CR strategy development and execution, community relations programs and CR communications internally and externally. The CR Manager also leads the Green Forum which advances environmental awareness within Baran's workplace. The CR Manager agrees strategy and presents progress quarterly to the Executive Management Team of Baran and also to the Board of Directors on a quarterly basis.

Ethics

Baran Group has always been a business guided by ethical principles in the spirit of the seven Baran founders who made ethical behavior a signature element of their leadership style. In 2004, Baran formalized the elements of this value based approach into a formal Code of Ethics which was adopted and endorsed by the Baran Board of Directors. This process began with employees raising the issue during "Round Table" meetings between employees and senior executives. All Baran Directors, Executives and employees are bound by the Code of Ethics in all their business activities on behalf of the Baran Group.

The Baran Code Of Ethics

Key elements of the Code of Ethics include honest and ethical conduct, ethical management of actual or apparent conflicts of interest, full, fair, accurate, clear and timely disclosure of reports and documents published by Baran, compliance with all laws and government regulations and procedures for reporting compliance violations. No breaches of Baran's Code of Ethics were reported in 2009 or 2010.

Baran's Chief Financial Officer and Chief Legal Counsel are responsible for the implementation, enforcement and supervision of the Code of Ethics and report to the Board of Directors on a regular basis. In addition, Baran's internal auditors conduct an ethics audit in the first quarter of every year, examining process, practices and effectiveness of the Company's ethics policies. The auditors submit a report to the Executive Management Team together with recommendations for improvement, which are subsequently agreed and implemented.

The Baran Code of Ethics is updated every two years, following which ethics training is conducted as a refresher for all employees in the Company. The Baran Code of Ethics was last updated in 2008, so the next company-wide training is scheduled for 2011. In addition, all new employees are trained in ethical conduct with a short time of joining the Company and are required to sign their agreement to complying with Baran's Code of Ethics. All other employees renew their signatures every year.

To read Baran Groups' Code of Ethics, please visit:
[http://www.barangroup.com/SiteFiles/File/CSR/Code of ethics.pdf](http://www.barangroup.com/SiteFiles/File/CSR/Code_of_ethics.pdf)

Focused Action To Prevent Sexual Harassment

Baran has a strict sexual harassment policy, which includes provisions above and beyond the legal requirements. In Israel, the law requires companies to appoint one "Sexual Harassment Supervisor" but Baran, recognizing the importance of this issue, and difficulty in ensuring full awareness, has appointed several individual employees as Supervisors. All Baran Supervisors have undertaken a comprehensive training program conducted by a recognized external training body. The training covers the right way to approach cases of sexual harassment, debriefing of those involved, providing support for victims and the creating and maintaining of a work environment free of sexual harassment. In addition, dedicated training on this subject takes place for all managers once a year and Sexual Harassment Supervisors conduct annual training for all employees.

Baran's Economic Impacts

Baran has a positive economic impact in many ways. First and foremost, Baran is a stable company with a strong financial profile and has delivered positive financial results over the past 30 years. Baran pays taxes to governments in the countries in which the company does business. Baran employs 1,400 people and ensures its employees a good standard of living. Additionally, Baran purchases goods and services from a wide range of suppliers, generally purchasing locally wherever possible thereby making a contribution to local economies. Baran makes a positive contribution to local communities through cash donations and engineering services provided pro-bono.

In addition to these direct economic impacts, Baran supports overall economic growth by providing sustainable engineering solutions for national and local infrastructure projects and other commercial and social ventures. These projects – including major energy and transportation infrastructures – support improved quality of life and are the basis for positive economic growth of countries and corporations.

In 2010, Baran's direct economic value generated and distributed is shown in the following chart:

Component	\$ooo's
Direct economic value generated	
Revenues	137,334
Economic value distributed	
Operating costs	94,040
Employee wages and benefits	42,568
Payments to providers of capital	8,864
Payments to governments	3,768
Community investments	209
Total Economic Value distributed	149,449
Economic value retained**	-12,115

** NB Figures cover Baran operations in Israel. Economic value retained is negative for ongoing operating financials. This does not include revenues from business divestments which impacted Baran's overall profit and loss figures in 2010 and therefore the numbers reflected above do not match Baran's reported financial figures.

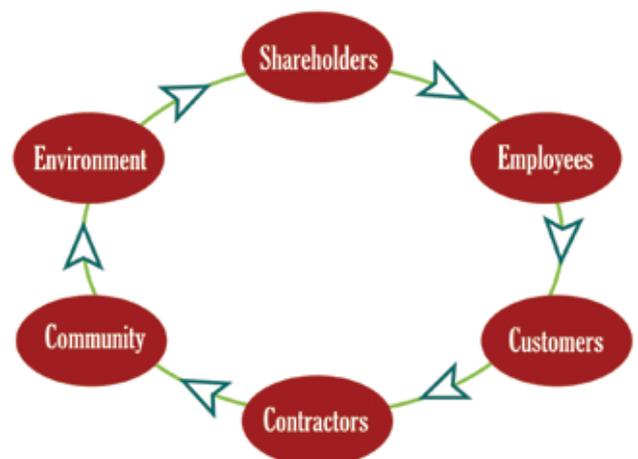
For more details of Baran's financial performance, see Baran Annual Report for 2010: http://www.barangroup.com/investor_relations_reports.asp?NewsCatId=2.

In the case of differences, for all financial data, information contained in the Baran Group Annual Report is correct.

Stakeholders And Material Issues

As a project oriented company, Baran understands that stakeholder input is one of the critical success factors in any project. Baran seeks to understand stakeholder interests and aspirations and respond to them in a responsible and accountable manner. Baran maintains extensive stakeholder dialogue on a regular basis. Most often this is in relations to Baran's sustainable engineering projects in which stakeholder dialog is an essential and regular element in the early stages of each project, continuing as required through the life of the project. These formal stakeholder dialog processes form the backbone of Baran's work with clients and their stakeholders, and Baran's commitment to open dialog and skill in listening and evaluating a wide range of views, together with flexibility in accommodating different needs is what has made Baran's project execution so successful to date.

In terms of process, Baran engages with all stakeholders who are affected by engineering projects. At the start of each project, the Baran team identifies all parties affected in the local and often national community and engages with representatives of all groups including partner contractors in different projects and of course, customers. This is done by mapping the social and environmental impacts of each project in a detailed assessment and identifying the key areas of impact. Similarly, engagement with employees targets to reach all employees via management reviews, discussions and Human Resources-led processes. The process for engagement with local community leaders is also defined by Baran's project impact assessment process. Baran's primary stakeholder groups are:



Shareholders	Our shareholders are represented on the Board of Directors. They expect Baran to execute a sustainable business strategy, deliver strong financial returns, comply with all laws and regulations and behave as a responsible citizen. Baran reports regularly to shareholders them via the Board of Directors and the Company's annual report. The key channel for engagement with shareholders is the Company's annual general meeting.
Employees	Employees look to Baran for a caring and supportive, safe workplace in which they and grow and thrive. Baran maintains dialog with employees via many different channels. These include annual performance reviews, monthly or quarterly employee meetings and Round Table meetings with senior management held occasionally throughout the year.
Customers	Our customers expect Baran to understand their needs and deliver sustainable engineering solutions on time, on budget and in line with their project specifications. Customers look to Baran for specialist advice and guidance on many aspects of construction projects. Baran engages with customers at frequent intervals throughout the life of each engineering project.
Contractors	Contractors are the many and diverse companies and individuals engaged in projects which Barn supervises. They expect professionalism and clear instruction from Baran and look to Baran to establish high standards of safety, security and professional project management. Baran engages with contractors to understand their requirements and expectations with regards to each project they are engaged in. This engagement takes place at during the life of each project at weekly or monthly intervals.
Community	The communities in the areas in which Baran works and those in which Barn is involved in construction projects expect Baran to understand the impacts of construction projects on their lives and ensure their concerns are addressed. The local community also looks to Baran to be a good corporate citizen and contribute its expertise to assist in developing the quality of life of local communities. Engagement with the local community partners takes place as part of the project implementation process (after impact assessment) on a frequency determined by the issues arising for each project. For Baran's community involvement projects, engagement takes place two or more times per year to review Baran's activities and plan ahead.
Environment	The Environment is represented by a wide range of NGO, government and financing groups who wish to ensure that all construction led by Baran is in accordance with the strictest quality and security standards, and also quality and environmental specifications. Engagement with environmental NGO's takes place in connection with specific engineering projects in relations to issues arising from environmental impact assessments, and is maintained as long as necessary until issues are effectively explored and solutions addressed.

The most important sustainability issues for Baran to address arising from consultations with our stakeholders are:

- Reliably, quality service and customer responsiveness
- Safety of construction practices
- Safe workplace
- Cutting edge sustainable engineering capabilities
- Hiring and retaining high quality engineers
- Expertise in compliance with environmental regulation around the world
- Employee development
- Supporting local communities
- Social impacts of construction projects
- Capabilities to support green building

All of the above issues have been addressed in this report in the different sections. (See content index for relevant sections).

Sustainable Solutions For Customers

Customer Service And Responsiveness

The most fundamental aspect of Baran's business success is our ability to service our customers in the most professional way, providing world-class service, the most advanced and efficient technologies and guaranteeing that projects are completed in line with customer needs and project specifications. In many cases, Baran serves as a consultant to customers, assisting them in defining the most cost-efficient specifications and approaches compatible with their project objectives. Baran's input often includes sustainable options and adherence to environmentally preferable standards.

Each project at Baran is assigned a Project Manager who is responsible for ensuring a close relationship with the customer throughout the life of the project. In the initial stages of any project, the Project Manager is responsible for ensuring that all the customer requirements are completely understood and that the project specifications are clearly agreed. The Project Manager meets regularly with the customer, involving other Baran personnel as required, to ensure progress is made on time and in the right quality, to the customer's satisfaction. All issues arising are dealt with without delay, resulting in satisfied customers across all Baran's projects and in all locations.

One of the most important measures of customer satisfaction for Baran is the rate of returning customers. During the past 10 years, most customers have returned to Baran for the execution of new projects.

Purchasing And Logistics

As most of Baran's business is in the execution or supervision of projects on behalf of customers, Baran's purchasing and logistics operations are specifically only those activities that support the Baran team – office and basic travel arrangements. 100% of purchasing for Baran's operations is local purchasing in the country of operation. In general, Baran targets to maintain long term relationships with local suppliers, many of who are small businesses.

Sustainable Workplace Solutions

Baran recognizes its responsibility toward its employees to provide a caring, supportive and energizing workplace so that Baran's talented employees can focus on our important work of developing sustainable engineering solutions. The commitment and professionalism the company demonstrates in each and every project is a direct result of the motivation and hard work of its employees.

Protecting Jobs

Baran maintains a deep sense of responsibility towards all employees and their families and feels that the ability to provide jobs to valued employees is one of the most basic aspects of our social responsibility as a business. If the jobs of our employees are threatened, for whatever reason, we try to find solutions which will maintain our business continuity while enabling employees to retain their jobs wherever possible.

Company Restructuring

Our approach to job security for employees was evident during the Global Financial Crisis of 2008/2009 which impacted Baran's work and resulted in several global projects being delayed or cancelled due to lack of customers' ability to secure financing. Baran understands that, as an engineering company, the talent and experience of its people enables the company to be successful through the long term. Baran Management therefore approached this difficult period in a way which enabled maximum protection of job security compatible with a minimum level of streamlining which was inevitable. Instead of automatically engaging in large scale dismissals, as many other companies in Israel did in this period, Baran consulted employees and explored alternative options to ensure a reasonable solution for employees as well as for the Company. Measures were taken to reduce salary cost to the company by cutting pay for higher paid employees by up to 15%, and reducing work hours for other employees. All employees were assured that salary levels and working hours would be restored after the Company had returned to previous levels of operation. In 2011, this was implemented and employees were compensated for their flexibility.

Customer Requirements

Another example of Baran's commitment to protecting employee jobs is, in 2009, when a large Baran client demanded that Baran scale down the Baran engineer team working on a the client project from 43 employees to 10. The Baran HR Team quickly entered into negotiation with the client to ensure the best solution for the employees affected. The result was that the client agreed to hire 10 of Baran's employees and retain a further 25 on the project. The remaining 7 employees affected were redeployed on other Baran projects.

"When I first heard the news that 33 employees may lose their jobs, I knew this wasn't something I could live with. I immediately mobilized and drafted everyone within Baran that could help, and worked with them relentlessly until we found a solution for each and every employee affected. It was a truly "Baran Spirit" moment, where all those involved had a sense of personal and collective responsibility, that led to a successful outcome. I am very proud of the Company for caring for their employees the way it does". HR Manager, Baran

Baran Employee Profile

More than half of Baran's 1,401 employees are located in Israel (732) employees in three locations. All Baran's employees worldwide are hired on the basis of full time permanent contracts. There are a few minor exceptions in different locations but this data is not quantified at this time, except in Israel.

In 2010, of the total 723 employees in Israel, 697 employees were employed on a work in full time roles while 35 employees worked part-time (80%) position due to special circumstances such as disability. All 732 employees are hired on the basis of permanent contracts.

Baran Group Employees	Total Worldwide	Total in Israel
2010	1,401	732
2009	1,800	661

Baran Group Management Employees	Total Worldwide
2010	44
2009	42

The total number of employees in Israel reduced in 2010 due to the divestment of three subsidiary companies. For further details, see Baran Groups Annual Report.



Baran Employees By Gender

Baran welcomes women and, particularly, women engineers. Women are provided with every opportunity to grow and develop within the Baran Group. The composition of women in the business in Israel is shown in the following chart:

Year	Total Employees		Total Managers	
	Male	Female	Male	Female
2010	491	241	33	9*
2009	444	217*	34	8*

*Estimated figures – Baran is developing a system to track women employees and managers more accurately.

Baran Employees By Profession

As an engineering company, Baran recruits and employees a high percentage of engineers in different disciplines. The key engineering disciplines required by Baran are:

- Construction Engineering
- Mechanical Engineering
- Air Conditioning Engineering
- Civil Engineering
- Planners and Architects

In 2010, 59% of Baran's workforce in Israel was made up of qualified engineers.

Baran Employees By Age

Baran values employees of all ages, and almost 30% of Baran's employees are over the age of 55 who have long tenure with the company, as well as over 30% of employees over the ages of 40. This provides for a very stable working environment which values the deep experience of more senior employees while making room for young engineers to learn the ropes and enjoy their work.

Employee Recruitment And Hiring

During 2010, 283 employees joined Baran in Israel. In Israel, 100% of Baran employees are hired locally and 100% of the Executive Management team are local hires. All open job positions are advertised internally prior to external recruitment and Baran employees are encouraged to apply.

Employee Turnover

During 2010, 256 employees left the company in Israel, which is a turnover rate of 35%. Most of these were employees of subsidiary companies which were sold in 2010. The employees who left the business for other reasons amount to 87.

Labor Relations And Freedom Of Association

Baran is a responsible employer and upholds all established labor conventions with regard to human rights and employee rights. Baran does not employ children under the age of 16 in any of its operations at any time and ensures that children are not involved in any way in construction projects that Baran supervises anywhere in the world. Baran ensures employees join the company of their own free will after understanding the detailed terms and conditions of employment offered by Baran. Prior to joining the Company, every new employee is offered a written employment contract which contains all the terms and conditions relative to the proposed role and employment. Employees are free to choose to join Baran and sign the contract as confirmation of their agreement to these terms.

Baran respects the right of all employees to freedom of association and collective bargaining, and encourages open and free dialog with employees at all times. All Baran employees are hired on the basis of open term personal contracts.

In cases where Baran is required to release employees, all efforts are made to ensure a smooth transition out of the company and practical assistance is provided wherever possible. In all cases, the minimum notice period required by law is provided (one month) though in certain cases, this may be extended to enable employees to find alternative employment.

Employee Compensation, Benefits And Welfare

Baran targets to provide competitive terms and conditions for all employees, using market norms as a benchmark and aligning salaries and benefits with individual performance and contribution. Employees are paid a basic salary and are entitled to a range of benefits which comply with and exceed national labor laws. The average starting salary at Baran, for example, is \$21,000 per year, which is 54% above the statutory minimum wage. Baran employees are also eligible for annual bonuses, subject to performance. Baran senior employees are awarded stock options on an annual basis. Additional benefits provided for employees include pension fund payments, severance pay fund equal to one month salary for each year worked (as required by law), loss of workability fund, a tax-free study fund with an employer contribution of 7.5% of annual salary, subsidised health and dental insurance for employees and their families and highly subsidized lunches in the Company dining rooms. Baran also facilitates loans on preferable terms for employees. Baran practices equal opportunity for men and women in Baran's business and compensation and benefits packages apply equally to both. In practice, due to the higher number of senior engineers who are male, the average salary levels by gender show higher relative levels for male employees. However, it is Baran's policy to pay equal rates for equal roles and relevant experience and we believe that the ratio of average salary for all male and female employees in the same roles is close to equal. Baran has not recorded this data specifically and will take measures to track such data in the future.

Social Activities

Baran believes in ensuring a working environment where employees can get to know each other and become friends. We believe that this not only facilitates good relations in the workplace but also provides added value for employees in their personal and family lives. One way in which Baran contributes to employee social networking is through an annual Company event called "Decades". Employees who reach 10, 20, 30 or even 40 years' service with the Company are honored at this event, to which all employees are invited. In addition, three outstanding employees are provided with a gift and company stock options each year at the Decades event.

Dialog With Employees

Baran encourages open dialog and creates opportunities for meetings in which employees can express their opinions, volunteer new ideas or raise concerns. One examples of employee dialogue includes the CEO Round Table events in which employees meet with the CEO and exchange views.

Employee Health, Safety And Security

Baran sees the health, safety and security of its employees as an issue of prime importance and has policies and guidance which are basic work requirements for all employees. These include internal safety guidelines and safety training in all aspects of business operations which are strictly enforced and monitored at all times.

Baran provides employees with safe work clothing and equipment, free extended medical insurance and healthy menu options in the cafeteria.

Baran also maintains a dedicated website for safety, health and environmental responsibility within the Company's internal portal. The website provides freely accessible information for employees



Accident rates for Baran employees 2010

Number of accidents	24
Accident rate*	3.03
Lost days)	126
Lost day rate*	0.064
Lost days - absenteeism	1,352
Absenteeism rate*	0.67

* Calculated on the basis of 791 full-time employees working 50 weeks at 40 hours per week

Diversity And Inclusion

Baran believes in equal opportunity and seeks to hire and retain a diverse employee workforce. In 2010, 2.2% of employees represented minority groups and 0.5% of employees are people with disabilities. In 2009-2010 there were no reported incidents of discrimination in our Company. Baran is seeking to expand the diversity of its workforce and is currently developing a program to provide opportunity to Ethiopian Israelis who face challenges in finding suitable opportunities in the Israeli job market.

Encouraging Women Engineers

Women engineers are employed in Baran Group in different positions and levels. The two common career tracks for engineers in Baran are Project Engineering and Process Engineering. In general, Process Engineering tends to be the more attractive option for women, though Baran works to attract women to Project Engineering as well. For example, Baran provides young mothers with special rights as defined by law including maternity leave, and nursing hours which allows them to leave work early. The company also provides special transportation for those mothers leaving early.

In early 2011, a group of women engineers from Baran offices in Omer (southern Israel) hosted a seminar for 40 women engineering students from Shamoon College of Engineering in Beer-Sheva and Ashdod. Baran's staff gave lectures and led discussions on different engineering topics with a focus on career opportunity for women engineers.

Employee Training And Development

Baran is committed to contribute to our employees' professional and personal growth, and encourage them to participate in training and learning and development activities organized both internally and externally.

In-House Training

Employees are offered a range of professional and management training programs throughout the year, and are assigned to attend training based on their job and personal development needs. In 2010, every employee participated in around 12 training hours per year.

Employee training hours participation

Year	Engineers	All employees	Total hours
2010	6,839	2,964	9,803
2009	11,732	3,912	15,644

Academic And Vocational Training

Baran supports employees who participate in academic educational programs or external vocational training through allowing time-off to attend classes and examinations. Baran supports funding for academic programs through providing a loan for employees for repayment out of monthly salary. In 2010, ten Baran employees took part in academic programs and each was provided with over 100 hours of company time in which to pursue their studies, amounting to over 1,000 hours in total.

Performance Evaluation

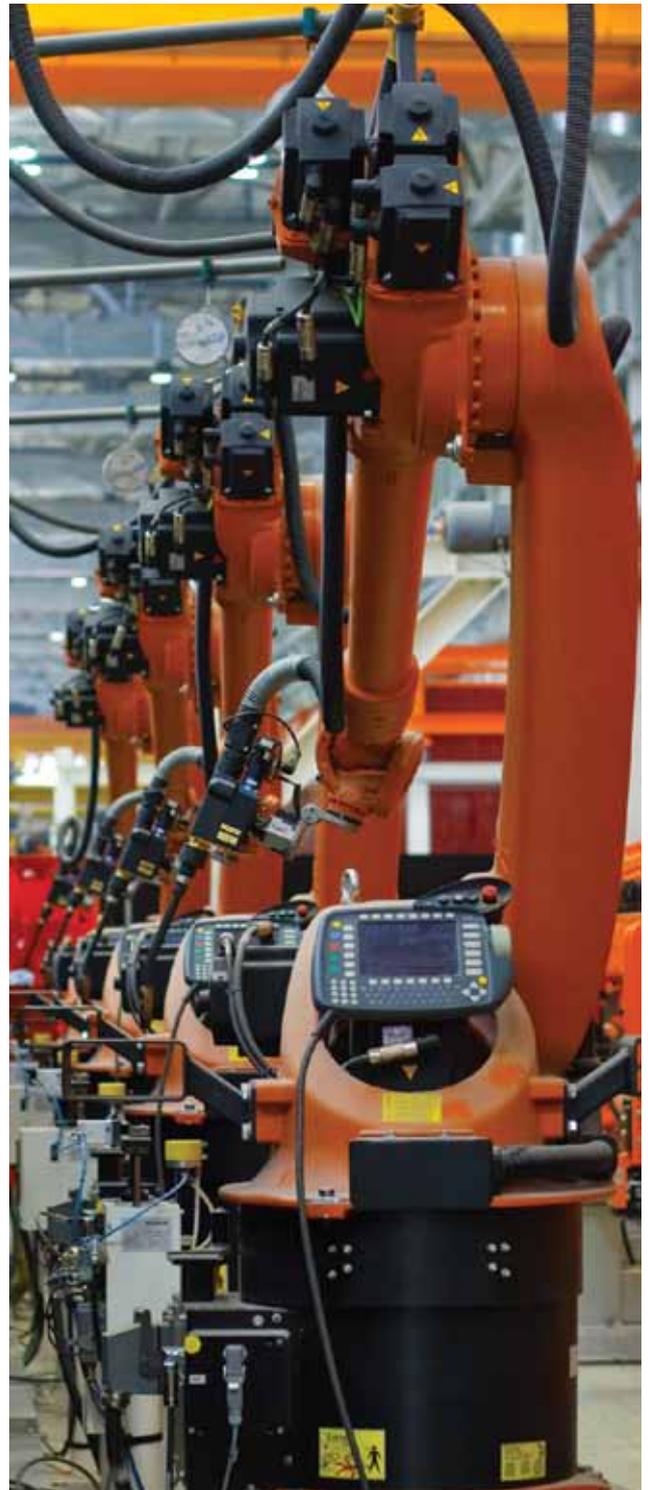
Baran does not currently have a formal performance evaluation and review process in place, though this has been implemented in the past. In 2009/2010, employees received performance evaluation and reviews by their managers on a going basis. During 2010/2011, we are conducting a review of our process and expect that all employees will benefit from full performance evaluations during 2011.

Baran Employees In The Community

At Baran, we believe that volunteering not only benefits the community but also empowers employees and contributes to their personal growth and sense of responsibility. 150 employees volunteer in the community, which is almost 11% of the total employee workforce in Israel. Please read more about this in our section on "Sustaining Communities".

Future Outlook

Baran is committed to making continued efforts to provide a safe, healthy, caring and empowering workplace for all employees. In the future, we will enhance our development programs to provide more career skills for our people and upgrade our performance evaluation processes. We will conduct an employee survey to ensure we receive comprehensive feedback from our employees about what is important to them. In addition, we will focus on enhancing the diversity of our workforce, particularly with regard to enhanced recruitment and development processes for women at Baran.



Sustaining Communities

At Baran Group, we believe it is our responsibility to use our skills and resources to help improve the quality of life in the communities in which our employees live and work. This was a core value of the founding members of Baran over 30 years ago and remains an important feature of the Group's activities. During 2009, Baran undertook a strategic project to map the areas of community involvement which Baran advances with a view to encouraging the active participation and volunteering of Baran employees. All volunteering in the community is performed during paid work hours and Baran provides positive recognition for employees who engage in such important activities.

Baran's community involvement is based on three core focus areas:

1. Engineering sustainable solutions for the community, leveraging Baran's core capabilities to assist in the development of community infrastructures and social projects that improve the quality of life in the communities in which Baran operates.

2. Advancing education, using the skills and capabilities of Baran employees to support schoolchildren and students.
3. Supporting essential community needs, by contributing to the humanitarian and welfare needs of local communities in the areas in which Baran operates.

Overall, during 2010, Baran's community investment was \$ 205,714 in cash donations and contribution of goods and services. In addition, many employees volunteer on a regular and ad hoc basis in the Company's community programs.

Baran Group Community Investment			
	2008	2009	2010
Cash, products and services donations	\$291,005	\$123,772	\$ 221,751
Employee volunteers	110	120	150

Engineering Sustainable Solutions For The Community

A Road Map For Community Involvement At Baran Group

Our vision: to become a socially responsible company, and contribute to the communities in which we live and work.

- 2000** | A management decision leads to establishing community involvement program, starting with volunteering programs in after-school clubs in the center and south of Israel, and renovating clubs and apartments in underprivileged communities.
- 2002** | Baran initiates a summer project, hiring employees' children aged 14-18 to work in summer camps at underprivileged communities during the summer vacation.
- 2003** | Baran's pro-bono renovation projects in underprivileged communities expand to include schools and the offices and facilities of charitable organizations.
- 2004** | A community involvement group strategy is created in cooperation with Zionism 2000, a non-profit organization which facilitates corporate involvement in communities, in which pro-bono engineering services and volunteering with children at risk are the flagship programs.
- 2005** | A community involvement management structure including a steering committee is created with goals and measures. Baran volunteers are recognized during International Volunteering Day. Baran participates in the Maala Index, a ranking of corporate responsibility for leading companies in Israel.
- 2006** | Baran develops environment and carbon reducing initiatives including an Environment Steering Committee, planting trees in the name of employees, which offsets compensating 441 tons of CO₂, and replacing styrofoam cups with biodegradables. Baran conducts a training program for 100 engineers from the Ethiopian community. Baran's Board of Directors establishes a Social Responsibility committee. Baran is ranked among the ten companies leading the Maala Index for 2006.
- 2007-2008** | Baran expands pro bono engineering services program to include renovating a food distribution center for Lev Hash organization, renovating the Immigrant Absorption Center in the city of Lod, and planning and managing Alut's Autistic Community Village construction project. Baran Group joins the Adopt a Soldier project, in which Baran and employees sponsor a military unit, providing support for the soldiers.
- 2009** | Baran Group publishes its first Sustainability Report. Baran Group receives the highest ranking, Platinum, in the Maala index and receives the Maala Citation ,awarded to Israeli companies with outstanding social responsibility practices.
- 2010** | Baran Group joins the Israeli Green Building Council (ILGBC) as a founding member. Baran Group expands its 'Social Responsibility' strategy to a 'Corporate Social Responsibility' strategy. Baran Group is ranked 'Platinum' in the Maala Index for the second year running. Baran Group participates in the United Nations Global Compact.

As an engineering company, Baran is committed to contribute its core engineering and technical expertise through the pro-bono work of its qualified, experienced employees to bring a positive change to the lives of local communities. Such activities are wide ranging and include many projects supporting underprivileged children, organizations with a social mission or other cultural activities. During 2009-2010, Baran supported 7 such projects on a pro-bono basis. The estimated cost of such engineering resource if it were purchased on the open market would be over \$110,000. A selection of the engineering solutions Baran has supported is listed below.

Remembering Fallen Soldiers



In 2008, The Kfir Warriors Association decided to erect a monument for fallen soldiers of this important Israel Defense Force regiment. Baran Group has been managing this project pro bono including obtaining permits, coordinating contractors, planning and managing the construction project of this monument in memory of soldiers who gave their lives so that local communities could maintain a safe and secure standard of living. The first stage of the project - building the monument and a ceremony area - was completed during 2009. Baran is now planning the second stage of the project - an educational center and amphitheater for the benefit of the soldiers.

"Baran is truly an active partner in this project. Baran assigned its best people to work on this project. They have been 100% involved and committed." Avi Binamo, Chairman of the Kfir Association.

For more information about the Kfir Warriors Association, see: <http://900.amuta.org.il>

Sailing With Special Needs

In 2010 Baran started working on a project providing planning and engineering services for the construction of a club house on the Kishon River in Israel in support of the Etgarim Association. The club house is a 50 square meters structure that includes a living room and kitchen for the use of disabled people arriving for sailing activities. Baran consulted an architect and an accessibility consultant

for the planning of this construction to meet the special requirements of the disabled. Four Baran employees are involved in this project, and the services the company provides are estimated to be worth about \$11,500.

Etgarim was established in 1995 as a non-profit organization by a group of disabled Israel Defense Force veterans and rehabilitation experts with the aim of enabling children, adolescents and adults with special needs to realize their optimum potential and integrate within society through outdoor training and a range of sporting activities. Baran has been an active partner with 'Etgarim' for many years, a tradition that begun with Menahem Gal (deceased 2004) a founder and CEO, who volunteered with the association. Sailing is one of the key activities offered by Etgarim and the association trains and coaches those with special needs to reach sailing achievements including participation in the Olympic Games.

"This is an extremely important project for us. We see it as a mission we are honored to be a part of." Lior Einy, Etgarim Project Manager, Baran.

For more about Etgarim's sailing activities, see: <http://www.etgarim.org/content.php?id=50>

Helping To Provide For Children At Risk

Baran's employees volunteer regularly at Beit Appel – Appel House Youth Village. The Appel House Youth Village in central Israel, was established in 1954 and operates nine sheltered housing facilities for the elderly, children and adolescents. Apple House provides a warm, loving home to 200 children and youth, aged 2 to 18, with traumatic family backgrounds. Many of the children were removed from their homes by court order and others have severe disabilities or behavioral problems.

Baran employees volunteer at the special Emergency Unit and at the Appel House's childcare facility. The objectives of the volunteering is allow the children individual and group quality time with a role model adult to assist in guiding their future direction. Baran also provides pro bono engineering services for the Youth Village and is currently preparing to renovate the Emergency Unit building.



Adopt A Soldier

IDF's combat battalions constantly engaged in ensuring the Israeli population's safety and security. At Baran, we believe that we have an obligation to support them.

The Association for the Wellbeing of Israel's Soldiers (AWIS) established the "Adopt a Soldier" program that connects companies and army combat units. The "adoption" includes providing the soldiers with emotional and financial support throughout their Army service. The company makes a 3 year commitment of an annual contribution of over \$25,000 and for providing support to young soldiers that serve in combat.

This constitutes a substantial mutual contribution, from which both the sponsor companies and the units benefit - the soldiers from feeling included and cared for, and the company employees from the giving and pride to be a part of such a project.

Army service in combat units is both mentally and physically challenging, especially due to the young age of the soldiers who are mainly between 18 and 21. It helps these young soldiers to know that they have a supportive public who admires and values their contribution to our collective security.

Baran has taken the adoption program a step further. In addition to cash donations, Baran initiates activities for the benefit of the soldiers. One of the main events is a convention for soldiers that are about to complete their army service. The convention takes place five times a year and includes lectures relating to the rights of discharged soldiers, advice for seeking employment and more. In addition, Baran volunteers bring food for the soldiers on duty and donations are collected among employees to buy food for soldiers' families in need. Outstanding soldiers are honored and receive a gift from Baran.

This sponsorship enables Baran volunteers to feel satisfaction and pride by giving back to soldiers that protect the safety of the Israeli citizens.



For more information see the website for The Association for the Wellbeing of Israel's Soldiers: www.awis.org.il

Supporting Those In Need In The North Of Israel



Lev Chash is a humanitarian organization founded in 1998 supporting those in need in the greater Haifa area in the North of Israel. Baran's engineering specialists undertook renovation of the association's headquarters, the planning and construction management of two dental clinics, and planned two renovation projects, converting two buildings to temporary residences to be used by families of hospitalized patients.

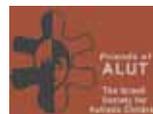
Volunteers from Baran are also involved in special activities for the holidays and in collecting food, clothing and books for those in need.

The relationship between Baran and the association has begun in 2003, and they have proven to be true partners and friends of the organization. Rabbi Yehoshua Rauchberger, one of the founders of Lev Chash, commends Baran volunteers' availability and willingness to help with any request.

"The spirit of volunteering truly runs in their blood". Rabbi Yehoshua Rauchberger.

For more information about Lev Chash, see: www.levchash.co.il

Engineering A Village For Autistic Children



Over 5,000 individuals in Israel have been diagnosed with autism and 250 infants are diagnosed annually. ALUT was established in 1974 by parents of autistic children in order to better serve the needs of autistic children and their families. ALUT's mission is to ensure the well-being, rehabilitation, future and economic status of persons with autism in Israel. ALUT provides educational, residential, vocational and leisure-time services to people with autism and works to advance their rights and to improve the services available to them and their families. ALUT operates several frameworks to support autistic children. For the past 5 years, Baran has been managing and supervising the construction of the Iruvim Village, a community and occupational center for autistic individuals from the southern periphery.

The village will be the future home of 48 individuals and an activity center for many others from the area.

By managing this project pro bono, Baran Group is a part of this important operation that will help improve the lives of the autistic community in the south of Israel.

For more information about ALUT, see: alutfriends.org

Advancing Education

One of Baran's core volunteering activities involves augmenting education frameworks to assist school children and students, especially those from underprivileged communities, to advance and realize their academic potential. Baran partners with two organizations that provide children with educational development opportunities.



A Different Lesson

The purpose of the organization, "A Different Lesson", is to promote equal opportunity in education and introduce children from underprivileged communities to accomplished adults, exposing them to different professional horizons and role models that can inspire and motivate them to do well in their academic studies. Baran volunteers regularly teach lessons and workshops including subjects relating to aspects of doing business in Israel, engineering related topics, environment, and sustainability. In addition, Baran houses the head office of "A Different Lesson" Association in Baran's HQ building, free of charge, thereby supporting the continuity of the Association.

Over 5,300 students (4th-11th grade) participate in the organization's activities taking place in 135 schools around the country. The organization has over 1,900 volunteers that contribute their time and knowledge to enrich those children's lives.

Baran employees from the Nesher, Beit-Dagan and Omer offices have volunteered for the past ten years at the Different Lesson program. They teach fifth graders at local schools about industry, businesses as well as environment responsibility.

The objective of the project is to expose young students to a world of professions and help them understand that diligence and hard work will lead to success. These meetings with professionals from different backgrounds and gender, including the company's CEO, demonstrate students that having they can achieve a successful career, no matter what their background.

In 2009, Baran volunteers encouraged environmental awareness through developing the "Environmental Ten Commandments", a commitment for activities to support environmental protection. Teachers and school children signed the commitments and engage in activities to support the environment.

Baran volunteers also contributed their expertise in green building to help schools follow the guidelines set by the

Ministry of Education in order to receive a "Green school" certification. Certification is awarded to schools that follow certain criteria including integrating environmental content in curriculum, recycling and minimizing resource consumption, community involvement and establishing a 'Green Council'. According to students and teachers' surveys, the program seems to have a positive influence on the students. Lectures by Baran employees have created an interest and curiosity from students and increase their participation in school lessons.

"This involvement creates a unique interaction between children that crave a role model and accomplished professionals who tell their personal stories to inspire the children. We can tell that these lessons inspire them and broaden their horizons because the children continue to discuss the lessons learned after class and sometimes months later." Shelly Shtercher-Shalev, a project coordinator at 'A Different Lesson'.

For more information about "A Different Lesson", see: www.shiuracher.org

College For All



The "College for All" non-profit association serves about 1,500 children throughout Israel and provides equal access to quality education for children and youth with potential from the social and geographic periphery, especially those from disadvantaged socio-economic backgrounds. "College for All" accompanies students all year round, from the 2nd grade to high school graduation, emphasizing a holistic and integrative approach by involving children's parents and communities in order to generate significant and sustainable change. Around 26 Baran employees volunteer with College for All, many of whom do so on a regular basis to tutor the children and help them with homework. Others participate in special educational and social extra curriculum activities including trips and holidays parties

For more information about College for All, see: www.college4all.org

"Baran volunteers have made a very positive impact on the students in College for All program" Michal Yfrach, Manager of Yafo Daled Center, College for All.

Being a part of this program allows Baran Volunteers to make a positive contribution to helping disadvantaged children grow up to be successful adults. Experience shows that those who participate in this program become outstanding students in high school. Furthermore, while only 25% of high-school students from poor socio-economic areas are eligible for Bagrut (the Israeli formal high-school graduation diploma), 100% of the children participating in the College for All program successfully graduate and receive the diploma with an average 97% results (which is substantially higher than the national average) in their final exams.

Scholarships For Academic Education

The Menahem Gal Foundation

Baran Group established this fund in memory of Menahem Gal, one of Baran's founders. The foundation awards scholarships for exceptional students from Sami Shamoon College of Engineering (www.sce.ac.il). In 2009, Baran awarded scholarships in the total of over \$13,000. In 2010, 43 students received scholarships from the Foundation amounting to over \$32,000. The students were selected based on their academic achievements and their community involvement. Each student received an award of between up to a maximum of \$2,400.

The Yossi Leper Foundation

This foundation was established in 2003 by Baran Group's subsidiary Industries Centers EOD to commemorate Yossi Lepper, one of its employees. The foundation awards scholarships for exceptional Masters degree students and doctorate students studying and performing research at the Faculty of Agriculture, Food and Environment in Rehovot. Students receiving scholarships participate in Industries Centers' volunteering projects.

Supporting Essential Community Needs



In addition to engineering solutions for the community and advancing education, Baran also supports social causes in more general ways for the broader community. This includes distributing food and medicine for the underprivileged and holocaust survivors, donating food, clothes and books for various non-profit associations, and participating in fundraisers and benefits.

Baran Kids In The Community

A key aspect of community volunteering at Baran is the involvement of Baran employees' children, as Baran believes that employees are encouraged to volunteer when their families can share the experience, and also, providing a volunteer experience children helps instill them with the values of a caring society that Baran believes is so important. Additionally, the summer vacation is an ideal opportunity to provide a meaningful framework for employees' children who are often lacking useful occupation during the summer months of July and August. Baran, therefore organizes various summer volunteering activities for employees' children in which they get a chance to volunteer in non-profit organizations.

Every summer (excluding summer 2009, in which the program was put on hold) Baran legally "hires" employees' children as well as several children referred to them through the southern regional employment bureau. The children volunteer in summer camps for kids from underprivileged communities thus spending their summer both earning money and contributing to the community.

In the summer of 2010, a total of 84 children participated in the program, of which 74 are employees' children, and 10 are from the regional employment bureau.

Baran's total investment in this program in 2010 was \$18,000, which includes wages, transportation and meals.



Sustaining The Environment

As Israel's largest and leading engineering company, Baran Group aspires to lead change in corporate environmental responsibility in the construction sector, at both local and global levels. At Baran, we firmly believe that safeguarding the environment can bring business growth while contribution to a sustainable future. Managing our impacts on the environment rests on a strong platform of adherence to quality standards in all our operations. Baran holds ISO certifications for Quality (ISO 9001), EHS (ISO 18001) and for Environmental Management System (ISO 14001).

Environmental Responsibility: A Board priority

Environmental Responsibility is a core platform of the Baran Group's business strategy and is clearly visible in the governance structure of the organization as well as in all aspects of management, operations and employee activity. Environmental issues are consistently tabled as discussion and review items in the Social and Environmental Responsibility Committee of the Board of Directors, which convenes four times a year. At each meeting, Baran's Corporate Responsibility Manager presents an update of social and environmental performance and issues and agrees further objectives with Board involvement and approval.

Baran's Environment Guidelines

In 2005, Baran formulated and adopted a set of voluntary Environment Guidelines applicable in all the Company's global operations. The Guidelines serve to ensure that environmental considerations including biodiversity implications are taken into account at every stage of new project development as well as in the management of Baran's internal operations and infrastructure. Baran invests efforts in ensuring all Company employees are familiar with the Guidelines and observe its provisions in their daily work. During 2010, over 150 Baran site supervisors received environmental training to ensure familiarization with Baran's Environmental Guidelines. All training content is freely accessible to all employees through the Company's intranet portal.

Environmental Management System

Baran operates with an Environmental Management System (EMS) in order to manage and control environmental responsibility, performance and impacts. The EMS is a comprehensive approach, governing both internal processes to maintain environmental responsibility in Baran's proprietary construction projects and external processes including sub-contractors involved in construction projects that Baran supervises. Baran's Environmental Guidelines are included in contracts with sub-contractors working on Baran projects and their commitment to the Environment Code is a condition of their qualification to work with Baran.

Baran's Green Forum

Baran's 'Green Forum' is directed by Baran's Corporate Responsibility Manager and includes representatives of all Baran Divisions and key departments. The Forum is responsible for setting environmental objectives and advancing environmental activities and their implementation within Baran. The Forum convenes four times a year, review current activities and their effectiveness, discusses future plans, sets objectives and assigns responsibility for action plans. The Green Forum provides an annual review to the Company's Executive Management team.

Environmental Check-List For Construction Projects

In all construction projects undertaken by Baran on behalf of its clients, Baran ensures strict adherence to environmental laws and regulations while striving to minimize negative impacts on the environment due to any aspect of the project's requirements.

All Project Managers work with a Baran environmental check-list which applies from the very early planning stages of each project through to completion. This comprehensive check-list was developed by Baran engineers and leverages the Company's extensive experience in anticipating and managing the environmental aspects of all construction and engineering work. The check-list covers issues relating to potential environmental risks, obstacles or opportunities including landscape management, air pollution risks, drainage processes, chemicals, use of hazardous materials and their safe disposal, solid waste generation and land contamination risk. In the planning stages of any project, the check-list is used to assist in developing a comprehensive environmental approach to managing the project while during implementation, the check-list acts as a management tool and control document to ensure all issues are appropriately addresses.

In addition to managing impacts, Baran demonstrates its commitment to engineering environmental solutions by proactively presenting green building alternatives to clients in order to improve the entire environmental footprint of any project, often enhancing the project's engineering and economic feasibility.



Green Procurement

In any construction project, purchasing is a very significant element which contributes significantly to the environmental footprint of any construction project and the long-term environmental characteristics of a finished building. Engineering environmental solutions at Baran necessarily takes into account the impacts of raw materials and products procured by Baran on behalf of clients in order to complete their projects.

In order to ensure environmental considerations are effectively deployed in procurement decisions, Baran has developed a comprehensive Environmental Procurement Guide for procurement staff to assist them in selecting appropriate suppliers, materials and products in order to support environmental objectives. Examples of areas covered by the Environmental Procurement Guide include minimization of waste resulting from efficient use of materials, detailed planning, efficient storage of materials, and prevention of damage to materials, using industrial multiple-use dies for concrete casting, preventing unnecessary use of packaging, and recycling.

Green Building



In 2009, Baran established a new division which specializes in construction and infrastructure projects that integrate sustainability and green building principles, in line with the growing demand for sustainable engineering solutions in many countries around the world. The Green Building Division provides consulting and certification services for buildings which meet green building standards, as well as conducting techno-economic feasibility studies and return-on-investment (ROI) analyses using local and international green building standards.

The Baran Green Building Division works primarily with leading standards including LEED (Lead in Leadership in Energy and Environmental Design – U.S), BREEAM (U. K.) and the Israeli Green Building Standard 5281. The LEED and the BREEAM are the most widely used standards globally for sustainable buildings and constructions. The Israeli standard is a new initiative and recently undergone a revision process and is due to be published in the coming months.

The Baran Green Building Division is staffed with LEED accredited professionals who are licensed to train and

certify others as LEED professionals. To date, the Baran Green Building Division has undertaken over 14 projects in Israel and abroad, covering over 147,000 square meters of green building in Israel, and over 42,000 square meters in other countries, including a LEED certified building of an international technology company, an office building for a philanthropic fund in Jerusalem, a Congress Hall in Romania and several projects for the Porter School for Environmental Studies building at Tel Aviv University.

A new flagship project for Baran during 2010 and continuing throughout 2011 is the "greening" of all the branches of an international coffee house with 100 branches in 6 countries. Baran is responsible for converting all branches to green and supervising retrofitting as well as planning construction of new green branches.

For more information about LEED, please visit the U.S. Green Building Council site: www.usgbc.org

For more information about BREEAM, please visit: www.breeam.org

Promoting And Implementing Green Building Standards



A further demonstration of Baran's commitment to Green Building and promoting awareness and education of different aspects of green construction is Baran's founding membership of the Israeli Green Building Council (ILGBC). Baran green building experts regularly participate in ILGBC meetings and Baran is a member of the ILGBC's Regulation Committee. Experts from Baran's Green Building Division deliver lectures at various ILGBC events throughout the year.

The ILGBC was established in early 2007 as a non-profit organization. The ILGBC is uniquely supported by industry, government and academic institutions, together with leading professional, social and environmental organizations. The ILGBC has gained strong multi-sector support for its goal to advance sustainable construction through a platform based on a democratic, purposeful and transparent coalition. The Council operates through the development of educational tools to support members in implementing sustainable design and building practices, raising standards, developing guidelines and design models, supporting and promoting green buildings and creating opportunities for discussion and criticism on the subject.

"The management and staff at Baran's Green Building Division have contributed greatly to upgrading and revising the Israeli Green Building Standard by leading and participating in professional committees of the ILGBC and the Israeli Standard institute. In addition, Baran's staff are active contributors to the professional discussion on green building regulation and awareness and giving lectures and writing articles for professional journals. Baran is a pioneer in this field in Israel." Hilla Beinisch, Israel Green Building Council Manager

For more information about the ILBC, please visit: www.ilgbc.org

Baran has also been a member of the Romanian Green Building Council (ROGBC) since 2009. Baran is a regular participant in conferences, forums and other event organized by the Council.

Additionally, as a leader in the engineering and installation of solar energy facilities, Baran is a member of the Renewable Energy Association of Israel (REAI).

REAI was established in 2009 to promote the implementation of renewable energy electricity production in Israel and its main activities are lobbying and promoting implementation of renewable energy by the various authorities and ministries of Israel. REAI is the main lobbying group for the renewable energy market in Israel, with 95 member-companies from different sectors.

For more about the Renewable Energy Association of Israel, please visit: www.renewable.org.il

Environmental Performance And Impacts

Baran is committed to managing its environmental impacts responsibly and measuring progress on a quarterly basis.

Energy Consumption

Baran strives to minimize its energy consumption in all its operations and places emphasis on energy efficiency in Baran office locations. The key practices maintained by Baran in terms of energy consumption include use of energy efficient light bulbs, central electricity control systems in all buildings and air conditioner monitoring and savings. 100% of Baran's energy consumption is based on indirect energy (electricity) sourced from the Israel National Grid. In 2010, the national electricity company reported that electricity production was sourced from coal combustion (61%) and natural gas(37%) with the remaining 2% derived from crude oil and diesel fuel.

In 2010, Baran's total indirect energy consumption was 15,360 gigajoules of electricity, which represents a slight increase of 0.9% versus 2009.

Electricity consumption	
	Gigajoules
2008	21,270
2009	15,104
2010	15,360

On a per-employee basis, Baran's total energy consumption decreased from 37 gigajoules per employee in 2008 to 19 gigajoules per employee in 2010, which is a demonstration of Baran's energy efficient office practices.

Water Consumption

Managing water consumption is critical for Baran given the constant water scarcity in Baran's prime operating location, Israel. Overall, Baran's water consumption is relatively modest and is used mainly for office hygiene, cleaning and garden irrigation purposes.

In 2009, Baran decided to make a significant reduction in water consumption through the transformation of irrigation processes for Baran landscape areas, replacing all irrigation systems with low water consumption systems. This resulted in a reduction of 46% in water consumption from 8,158 cubic meters in 2008 to 4,412 cubic meters in 2010 in Israel. All of Baran's water is supplied from the national water network.

Waste Management

As a planning and engineering firm with no industrial operations or processes, Baran inherently produces low levels of waste, none of which is hazardous. Nonetheless, Baran believes it is important to minimize all waste and makes constant efforts to do so in all activities.

Waste that is generated by Baran operations is generated by regular office activities and includes some organic waste and paper or plastics. There is also a low level of electronic waste from batteries, cell phones and computer and related products.

The different types of waste generated by Baran are:

Waste generated by type (tons)			
	2008	2009	2010
Paper	17	11	16
Electronic	-	-	0.35
Total	17	11	16.35

Organic waste from employee meals is insignificant and not recorded.

Baran disposes of waste in an environmentally responsible manner. All paper waste is sent for recycling as raw materials for the paper manufacturing operations at the Hadera Paper Company in Israel.

In 2010, Baran initiated a program to collect electronic waste. In 2010, Baran collected 350 kg of electronic waste that was sent for dismantling and recycling to the social enterprise Ecommunity. Ecommunity recycles electronic waste using the services of people with special needs, thus creating employment opportunities and funding for the rehabilitation of this population. Ecommunity collects electronic equipment (such as old computers, printed circuit boards, controllers, switchboards and communication equipment), transports them to associations that employ people with special needs, teaches them to dismantle the equipment, recycles each component respectively, and pays employees a fair wage.

For more information about Ecommunity, please visit: www.ecommunity.org.il

Employee Business Travel By Car

Due to additional, intensive business activity during 2010, Baran recruited 177 additional employees, most these being engineers and planners whose terms of employment include a company vehicle, and who are required to travel between different Baran sites and to client locations during the course of their work. As a result, the total kilometers travelled by Baran employees for business purposes increased significantly, from 14.5 million kilometers in 2009 to 23.75 million kilometers in 2010. This is an increase per employee kilometers per year of 27% (30,025 km per employee per year in 2010 versus 23,615 in 2009). However, despite the fact that overall kilometer levels increased by 63% in 2010, carbon emissions resulting from road travel increased by 46%, indicating improved driving practices and use of lower emission vehicles.

Direct And Indirect Carbon Emissions

Baran strives to reduce air-polluting emissions wherever possible. Baran's total carbon emissions are shown in the following chart.

Carbon emissions (tons CO ₂)			
	2008	2009	2010
Electricity	4,537	3,054	3,114
Flights	138*	138	155
Car travel	3,571	3,110	4,554
Total	8,246	6,302	7,823

* Flights for 2008 are estimated.

Electricity carbon emissions are calculated using the Israel Electricity Company's annually published carbon factor. In 2010 and 2009, this was 0.0073 ton CO₂e for 1 Kwh (0.0077 in 2008).

Flights carbon emissions are calculated using a recognized global flights calculator available online at this website: www.carbonfootprint.com/calculator.aspx

Car travel carbon emissions are calculated using the GHG protocol. The carbon factor for gasoline is 0.0023 ton CO₂e per 1 liter of gasoline.

For more information, see: www.ghgprotocol.org

Future Outlook

Baran will continue to drive environmental awareness by offering customers around the world sustainable engineering solutions and encouraging them to consider environmental risks and opportunities in all new projects. Specifically, this means continuing to show leadership in the advancement of green business and use of environmentally friendly materials for construction projects. At the same time, we will continue to monitor our operations closely and exploit every opportunity to reduce the direct environmental impacts of Baran's activities.

Part Four

About this report

Our approach to reporting

GRI Index

UN Global Compact Cross Reference Table

Contact for feedback



Our Approach To Reporting

Baran believes that transparent reporting is part of our responsibility as a business which is accountable to all stakeholders. Baran was founded on a spirit of openness, trust and collaboration and we believe that sharing information about how we manage and run our business is the legacy of the Baran founders and aligns with their vision of the Company and its impacts on people, society and the environment. Baran commits to publishing a Sustainability Report every two years, while using the corporate website for relevant updates during this period, as well as the publication of a Communication on Progress in line with the UN Global Compact principles every year. Our last Corporate Responsibility Report was published in Hebrew only in 2009, covering business activities in 2008. This was a first report and its scope was limited. Based on a desire to show leadership in sustainability communications, as thousands of companies do globally each year, we have upgraded our reporting processes and content to align with the Global Reporting Initiative G3 Framework at the highest reporting level, A, which demonstrates maximum transparency. This report covers our business activities for the calendar year 2010, with some historical data added for prior years for completion. We believe this report will serve as an important platform for dialog with all our stakeholders, both internally and externally.

Scope And Boundary Of This Report

All performance data presented in this report refers to the calendar year 2010 unless otherwise stated. The report covers Baran operations globally, through performance data is provided only for Israel operations, which include all Baran Group wholly and majority owned subsidiary companies with their headquarters in Israel. Baran operations around the globe are in the process of developing appropriate data monitoring processes and full data has not been available in time for the publication of this report. It is our intention to report more comprehensively on the sustainability performance of all our global operations in future reports.

Reporting Principles

In this report, we have reported transparently in accordance with the principles of materiality, stakeholder inclusiveness, sustainability context, and completeness according to the GRI G3 Guidelines. We have targeted to report on the most important sustainability issues for our business and for stakeholders while addressing our impacts on all stakeholders and providing relevant context for our sustainability performance.

Process Used To Determine Material Issues For The Report

The process for gathering the information to be included in this report has been guided by a decision to conform to the GRI reporting framework at the highest level of transparency together with an internal analysis of material issues using feedback from stakeholders which we have gathered in the course of our regular interactions with them in different ways.

All stakeholder feedback was analysed and reviewed internally by the CSR Manager and a selection of managers and a scan of material issues in the engineering and construction sector of leading companies around the globe was performed. The list of material issues arising from this review was prioritized by the CSR Manager and the CFO after reviewing all relevant supporting information. Our application of the GRI framework can be found in the GRI Index in subsequent pages of this report. This report has not been the subject of an independent external verification for reasons of resources limitations, although data has been gathered with guidance and support from a third party consulting firm, which has reviewed our data collection systems and processes and spent over 100 hours in meetings with over 30 managers and staff, reviewing sources of data and cross-checking the source of information provided for accuracy and completeness.

Feedback On This Report

Baran sees the publication of a Sustainability Report as an additional platform for creating dialog and discussion with our stakeholders about sustainability issues that are important to them and to our business. We welcome the opportunity to discuss any aspect of this report, and welcome queries and feedback. We commit to responding in a full and open manner.

Please consider providing your feedback to:

Ella Gotman - Baran Group CSR Manager

Tel: +972-3-9775012

Email: ella.gotman@barangroup.com

Address: 5 Menachem Begin Ave. Beit-Dagan, Israel 50200

GRI Reporting Guidelines

GRI is the global non-profit international organization which acts to increase the level of social and environmental reporting amongst Companies throughout the world. The main way of assimilating this process is the use of the reporting framework which contains detailed guidelines for reporting on impacts and provides a consistent structure which thousands of Companies around the world now use for sustainability reporting. over 5,000 reports were published in 2010 around the world.

For more information, please see: www.globalreporting.org.

This report complies with Application Level A of the GRI Framework. This has been confirmed by experts at the Global Reporting Initiative who checked our report in draft form and found it to be compliant with this reporting level.

The different levels of the GRI framework relate to the level of transparency and disclosure in the report. Below is the table of the Application Levels of the GRI:

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version



Statement GRI Application Level Check

GRI hereby states that **Baran Group Ltd** has presented its report “Engineering Sustainable Solutions - Baran Group 2010 Sustainability Report” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 1 August 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 18 July 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

The following table shows how Baran has reported against the GRI framework.

GRI Index

G3 indicator	Description	Reported	Page No.	Comment
1.1	Statement from the most senior decision-maker	Fully	4	
1.2	Description of key impacts, risks, and opportunities.	Fully	14	Opportunities are presented on page 14. For risks, see also Directors Report: http://www.barangroup.com/SiteFiles/File/Annual%20reports/2010/BARAN%20GROUP%20-%20Directors%20Report%202010%20-%20English%20Version.pdf page 18
2.1	Name of the organization.	Fully	6	
2.2	Primary brands, products, and/or services.	Fully	6-7	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	7	See also Directors Report: http://www.barangroup.com/SiteFiles/File/Annual%20reports/2010/BARAN%20GROUP%20-%20Directors%20Report%202010%20-%20English%20Version.pdf page 3
2.4	Location of organization's headquarters.	Fully	6	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	6	
2.6	Nature of ownership and legal form.	Fully	25	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	7	
2.8	Scale of the reporting organization.	Fully	7	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	8	Business divestments
2.10	Awards received in the reporting period.	Fully	12	
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	46	
3.2	Date of most recent previous report (if any).	Fully	46	2008: http://www.barangroup.com/SiteFiles/File/Baran%20Groups%20Corporate%20Responsibility%20Report%2020081_File.pdf

G3 indicator	Description	Reported	Page No.	Comment
3.3	Reporting cycle (annual, biennial, etc.)	Fully	46	
3.4	Contact point for questions regarding the report or its contents.	Fully	46	
3.5	Process for defining report content.	Fully	46	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	46	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	46	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	46	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	This page	Data measurement techniques and the bases of calculations are included in the body of the texts, alongside the relevant data tables.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement e.g., mergers / acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	This page	There are no restatements of information from previous reports.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	This page	There are no significant changes from previous reporting period in measurement methods.
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	48	
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	46	
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	25	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	25	

G3 indicator	Description	Reported	Page No.	Comment
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	25	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	26	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	26	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	This page	The Board of Directors adheres to the Baran Code of Ethics.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	25	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	9, 10 27, 28	Values: 9,10 Ethics: 27, 28
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	25, 26, 27	Risk management: 27 Social Responsibility Committee: 26 Board practices: 25
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	25	The Corporate Responsibility committee reviews the Board's performance with regard to social and environmental issues.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	27	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	12, 60	UN Global Compact: 60 Maala Index: 12

G3 indicator	Description	Reported	Page No.	Comment
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	42	
4.14	List of stakeholder groups engaged by the organization.	Fully	29-30	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	30	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	30	
4.17	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.	Fully	30	
ECDMA	Goals, policy, plans, procedures.	Fully	29	Economic Performance: page 29 Market Presence: page 29 Indirect Economic Impacts: page 29
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	29	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially.	27	Financial risks due to climate change formed part of the company's analysis of risk performed in 2010. Therefore Baran calculated the specific financial implications on Baran's business relating to climate change as zero.
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	33	
EC4	Significant financial assistance received from government.	Fully	This page	Baran receives no financial assistance from governments.
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	33	

G3 indicator	Description	Reported	Page No.	Comment
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	31	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	33	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	36	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	29	
ENDMA	Goals, policy, plans, procedures.	Fully	41-42	Materials: page 42 Energy: page 43 Water: page 43 Biodiversity: page 41 Emissions, Effluents, and Waste: page 43-44 Products and Services: page 42 Compliance: page 41 Transport: page 44 Overall: page 41
EN1	Materials used by weight or volume.	Fully	This page	Baran is not a manufacturing company and therefore does not use large volumes of materials in its operations.
EN2	Percentage of materials used that are recycled input materials.	Fully	This page	Baran does not manufacture products and therefore does not use significant levels of recycled input materials, with the exception of small amounts of office requirements such as paper.
EN3	Direct energy consumption by primary energy source.	Fully	43	
EN4	Indirect energy consumption by primary source.	Fully	43	
EN5	Energy saved due to conservation and efficiency improvements.	Fully	43	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	43	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	43	

G3 indicator	Description	Reported	Page No.	Comment
EN8	Total water withdrawal by source.	Fully	43	
EN9	Water sources significantly affected by withdrawal of water.	Fully	This page	No water sources are significantly affected by Baran as water is used only for office purposes and drawn from the national water supply.
EN10	Percentage and total volume of water recycled and reused.	Fully	43	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not reported	This page	This is not material to Baran's business as an engineering service provider. Baran has no direct impact on biodiversity.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not reported	This page	This is not material to Baran's business as an engineering service provider. Baran has no direct impact on biodiversity.
EN13	Habitats protected or restored.	Not reported	This page	This is not material to Baran's business as an engineering service provider.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not reported	This page	This is not material to Baran's business as an engineering service provider. Baran has no direct impact on biodiversity.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not reported	This page	This is not material to Baran's business as an engineering service provider.
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	44	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	This page	There are no other emissions.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	44	
EN19	Emissions of ozone-depleting substances by weight.	Fully	This page	Baran does not use any ozone depleting substances in its operations.
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	This page	Baran has no production processes which emit NOx and Sox or other significant gases into the atmosphere.
EN21	Total water discharge by quality and destination.	Fully	This page	Baran has zero water discharge.

G3 indicator	Description	Reported	Page No.	Comment
EN22	Total weight of waste by type and disposal method.	Fully	43	
EN23	Total number and volume of significant spills.	Fully	This page	There have been no significant spills – Baran is not a manufacturing company.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	This page	Baran does not export any hazardous waste.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not reported	This page	This is not not material to Baran's business as an engineering service provider. Baran does not discharge water.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	41-42	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not reported	This page	This is not not material to Baran's business as an engineering service provider. Baran does not sell good and materials.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	This page	Baran paid no fines for non-compliance during the reporting period.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not reported	This page	This is not not material to Baran's business as an engineering service provider. Baran does not transport goods and materials.
EN30	Total environmental protection expenditures and investments by type.	Not reported	This page	Baran does not calculate the total environmental protection investments. This will be calculated for Baran's next report covering 2011-2012.
LADMA	Goals, policy, plans, procedures.	Fully	33-34	Employment: page 33 Labor/Management Relations: page 33 Occupational Health and Safety: page 34 Training and Education: page 34 Diversity and Equal Opportunity: page 34

G3 indicator	Description	Reported	Page No.	Comment
LA1	Total workforce by employment type, employment contract, and region.	Fully	32	
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	This page	On page 33, we record our overall turnover number. However, we cannot supply data by age group, gender and region at present, due to incomplete records in our system. We are developing a new tracking process and will report this detail in our next report.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	33	
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	33	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	33	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	This page	There are no formal joint management-worker health and safety committees in Baran operations and this is not covered in collective bargaining agreements.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	34	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	This page	No such training conducted as is not deemed relevant for electronics business as there is no significant risk of serious diseases in locations where Baran operates.
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	This page	There are no trade unions operating in Baran.
LA10	Average hours of training per year per employee by employee category.	Fully	34	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	34	

G3 indicator	Description	Reported	Page No.	Comment
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	35	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	27	
LA14	Ratio of basic salary of men to women by employee category.	Partially	33	
HRDMA	Goals, policy, plans, procedures.	Fully	28, 33, 34	Procurement Practices: page 55 Non-discrimination: page 34 Freedom of Association and Collective Bargaining: page 33 Abolition of Child Labor: 33 Prevention of Forced and Compulsory Labor: page 33 Complaints and Grievance Practices: page: 28 Security Practices: page 33 Indigenous Rights: This is not relevant to Baran's business as the company does not operate in areas where indigenous rights are an issue at present.
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Fully	This page	This is not relevant to Baran as there have been no significant investment agreements during the reporting period.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	This page	Baran's suppliers are local and provide office based materials and equipment. None have been screened for human rights issues.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	28, 34	All employees are trained in Baran's Code of Ethics which includes aspects of human rights, but training hours are not recorded.
HR4	Total number of incidents of discrimination and actions taken	Fully	This page	There were zero incidents of discrimination during the reporting period.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights..	Fully	This page	None of Baran's operations carry a significant risk for incidents relating to freedom of association.
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	This page	None of Baran's operations carry a significant risk for incidents of child labor.

G3 indicator	Description	Reported	Page No.	Comment
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	This page	None of Baran's operations carry a significant risk for incidents of forced or compulsory labor.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Thi page	This is not material for Baran as the company does not employ large numbers of security personnel.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	This page	There were zero incidents of violations involving rights of indigenous people.
SODMA	Goals, policy, plans, procedures.	Fully	28,36	Community: page 36 Corruption: page 28 Public Policy: Baran does not play an active role in public policy or lobbying activities. Anti-Competitive Behavior: 28 Compliance: page 28
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	This page	Baran's business is providing engineering services and therefore has no direct impacts on communities. However, impact assessments are conducted by Baran in all client construction projects.
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	27	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	27	100% of employees are trained in ethics which includes corruption.
SO4	Actions taken in response to incidents of corruption.	Fully	This page	There have been no incidents of corruption at Baran.
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	This page	Baran takes no position in public policy development and lobbying, beyond supporting work of the Standards Institutes to develop new industry standards.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	This page	Baran made no contributions to political parties, politicians, and related institutions in Israel in the reporting period.
SO7	Legal actions for anti-competitive behavior.	Fully	This page	There were zero legal actions against Baran for anti-competitive behavior.

G3 indicator	Description	Reported	Page No.	Comment
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	This page	Baran paid no fines for non-compliance during the reporting period.
PRDMA	Goals, policy, plans, procedures.	Not reported	This page	Baran is a business to business consulting operation and does not supply product. Product responsibility responsibility for Baran is meeting customer specifications and requirements.
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not reported	This page	This is not material for Baran as Baran is a service provider of engineering solutions and does not supply actual products to customers.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	This page	There were zero issues of non-compliance concerning health and safety impacts of products and services during the reporting period.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	This page	All Baran's work is subject to Performance Specifications provided by customers. Baran does not sell to the general public and therefore no general information requirements are relevant to Baran's business.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	This page	There were zero issues of non-compliance concerning product and service information and labeling during the reporting period.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	32	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not reported	This page	This is not relevant as Baran does not engage in marketing communications given the nature of Baran's business-to-business activities.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	This page	There were zero issues of non-compliance during the reporting period.

G3 indicator	Description	Reported	Page No.	Comment
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	This page	There were zero substantiated complaints regarding breaches of customer privacy and losses of customer data against Baran during the reporting period.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	This page	Baran paid no fines for non-compliance with laws and regulations concerning the provision and use of products and services in the reporting period.

UN Global Compact

Statement Of Support For The UN Global Compact

In 2010, Baran Group publicly committed to upholding and promoting the ten principles of the United Nations Global Compact. As a Company committed to responsible business practices, these principles are consistent with our approach to business and accountability for our impacts on people, society and the environment, and our broad support for the aspirational Millennium Development goals. We believe that a responsible business approach contributes both to our own business sustainability as well as to the sustainability of our planet.

We appreciate the efforts of the The United Nations Global Compact as a truly global initiative to raise the bar for corporate responsibility and we are proud to join this mission.

We are committed to doing everything we can to ensure we comply with the 10 principles of the UN Global Compact and commit to reporting publicly each year on our progress. We will ensure that our stakeholders are aware of this commitment and receive our updates.

Dr. Eli (Elhanan) Abramov
 CEO
 Baran Group
 June 2010



UN Global Compact Index And GRI Cross Reference Table

Global Compact Principle	GRI Indicators	Referenced on page
Principle 1: Business should support and respect the protection of internationally proclaimed human rights.	HR1, HR2, HR3, HR4	28, 34, 57
Principle 2: Business should ensure that they are not complicit in human rights abuses.	HR2, HR3	28, 34, 57
Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5, LA3, LA4	33, 57
Principle 4: Business should support the elimination of all forms of forced and compulsory labor.	HR7	58
Principle 5: Business should support the effective abolition of child labor.	HR6	57
Principle 6: Business should support the elimination of discrimination in respect of employment and occupation.	HR4, LA10, LA11	34, 57
Principle 7: Business should support a precautionary approach to environmental challenges.	3.13, EN1, EN2, EN3, EN4, EN5, EN6, EN7	46, 53
Principle 8: Business should undertake initiatives to promote greater environmental responsibility.	1.1, EN8, EN9, EN10, EN11, EN12, EN13, EN14, EN15, EN16	4, 43, 44, 54
Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.	EN17 EN26	41, 42, 54
Principle 10: Business should work against corruption in all its forms, including extortion and bribery.	SO2	27, 61

Credits:

This report has been prepared by Baran Group CSR Manager, Ella Gotman, with the full support of the Baran Group Executive Management Team, and with the input of a wide range of Managers and Staff at Baran.

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