



724 Solutions

2007 Corporate Responsibility Report



John Sims
Chief Executive Officer

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1 Report Scope

This report covers the operations of 724 Solutions Inc. and its subsidiaries for the year ended December 31, 2007. A copy of this report is available in PDF format online at www.724.com/company/responsibility.asp. All targets and performance reported herein refers to the performance of 724 Solutions as a whole.

2 About this Report

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



3 CEO Introduction

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

Our mission is to deliver solutions to mobile operators that enable seamless communications without barriers. We will assist our customers, through collaborative and agile partnerships, to be able offer new IP or IMS data services in a way that seamlessly interact with their existing subscriber base thereby fundamentally improving their return-on-investment. Despite our size, it is our intention to be a leader in executing on this mission in a manner that is environmentally and socially conscious.

We are in the process of formalizing our corporate responsibility program through a series of social, environmental and community-focused initiatives. Our commitment to the program is being reinforced through our ISO certification process, as we begin the work towards ISO 14002 certification, to build on the ISO 9000 certification that we have already achieved.

2007 was a stellar year for our company, during which we launched our Seamless Access solution to address the next generation of mobile browsing infrastructure and the first version of our unique Seamless Messaging solution, which uniquely unites discrete messaging domains in both the mobile and IP-based worlds.

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

John J Sims
Chief Executive Officer



4 724 Solutions Profile

724 Solutions was originally founded in 1997 and was expanded in 2001 through the acquisition of TANTAU Software Inc. Since its founding the company has focused on building solutions for the mobile data marketplace. The company, which has approximately 150 people, is headquartered in Santa Barbara, California and has development centers in Mumbai, India and Lenzburg, Switzerland. Our sales, support and services people are generally located close to our customers in various cities around the world. The company sells to mobile network operators and has over 70 customers globally, including Vodafone UK, China Mobile Guangdong, Globe Telecom, Celcom Malaysia, Elisa, DNA and Swisscom. The company also partners with industry-leading go-to-market partners, including Nokia Siemens Networks, Ericsson and Atos Origin.

724 Solutions is a privately held company that is majority owned by Austin Ventures, one of the largest private equity firms in the United States. Austin Ventures has \$3 billion under management and has provided start-up and growth capital to emerging companies for more than twenty years. The firm brings a long-term investment perspective, broad experience in building high-growth companies, and access to an unparalleled network of entrepreneurs and executives.

Please see www.724.com/company for more information.

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

Our Mission

Deliver solutions to mobile operators that enable seamless communications without barriers.

Our Strategy

Focus on providing high-value solutions to the mobile operator market.

724 Solutions

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

Our Approach

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

Our Values

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



5 Corporate Responsibility Management

2007 Target:

Ensure that every employee is provided with a copy of 724's The Way We Do Business document.

Result:

100% have received a copy of the document and each new employee receives a copy as they join the company. The document is also available on the employee Intranet site.

2008 Target:

Conduct a once per year employee conference covering the background behind The Way We Do Business document.

Deadline:

June 2008.

2008 Target:

Conduct an employee survey to assess employee understanding 724's business principles.

Deadline:

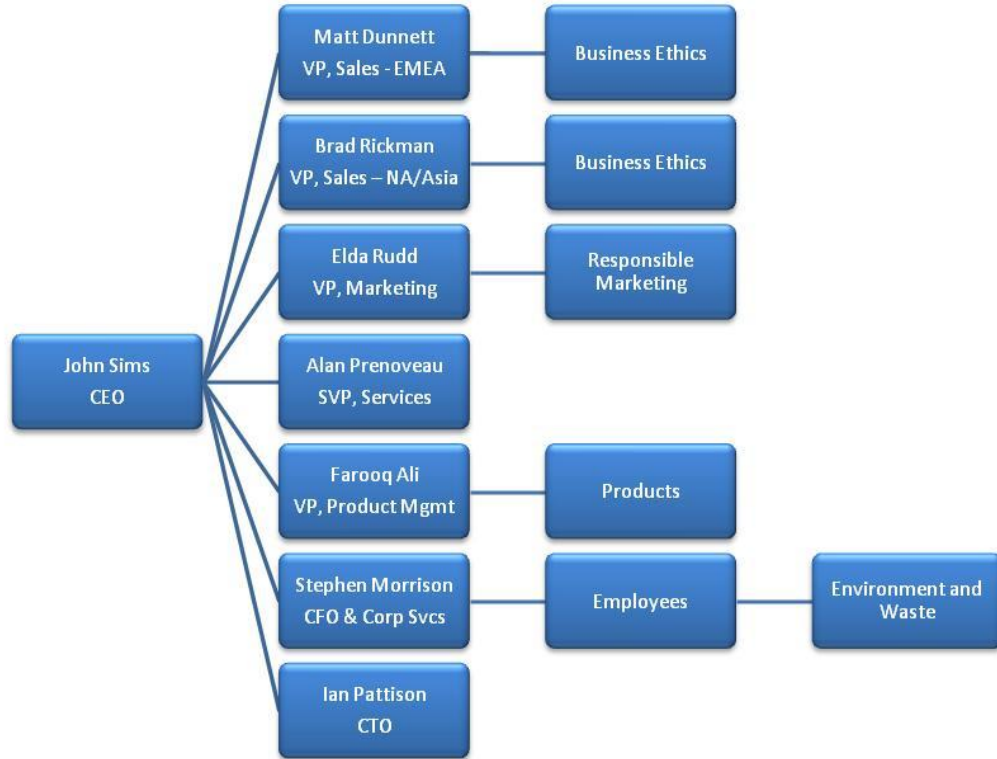
September 2008.

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

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

Executive Accountability for corporate responsibility initiatives:

724 Solutions



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

The management team is responsible for the production of the annual Corporate Responsibility Report. It is our intention to have this report audited by an independent third party, starting with the report produced for the year 2008.



6 Supply Chain

As a software company, 724 Solutions does not source a significant amount of hard goods, other than IT and development systems that are utilized internally and a small amount of computer hardware that is procured on behalf of our customers. We do not manufacture any of this equipment, but rather procure it from third parties, including primarily HP, SUN Microsystems, Cisco and F5 Networks. Given the relative size of our company versus these industry leaders, we are not in a position to effectively dictate terms to them. However, during 2007 we have adopted an initial set of procurement ethics guidelines. Following approval by our management team in the first quarter of 2008, we intend to attach to all relevant purchase orders issued thereafter. These procurement guidelines will also be published on our website at www.724.com/company/responsibility.asp.

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

HP:

Global Citizenship - www.hp.com/hpinfo/globalcitizenship

Cisco:

Corporate Social Responsibility - www.cisco.com/web/about/citizenship/index.html

SUN Microsystems:

Corporate Responsibility - www.sun.com/aboutsun/csr/index.jsp

F5 Networks:

Environmental Corporate Position - www.f5.com/pdf/f5/environmental-policy.pdf

As described in The Way We Do Business, the Company maintains a Complaints Process that allows employees to submit complaints to the Chairman of the Board, on a confidential basis, concerning breaches of Corporate Responsibility.



7 Our People

724 Solutions has approximately 150 employees based in 12 countries for whom we strive to provide a fair, safe and flexible workplace. We also believe that it is critical to maintain an environment of open communications, which we achieve through a series of periodic Town Hall meetings and a quarterly newsletter, known as Newsline. After each issue of the newsletter, we encourage employees to participate in a short survey that is geared to determine their views on the value of the communications and suggestions for future enhancements and topics to be covered.



In 2008, we intend to enhance our reporting associated with minority and gender representation within our global workforce. Once this is completed, we intend to establish goals for improvement in the representation of such groups.

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



8 The Environment

By the nature of our business as a software company, we believe that our operations have a minimal impact on the environment. However, small as they may be, we do recognize that our operations do have some impact on the environment that we operate within.

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

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

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

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



9 Giving Back to our Community

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

In 2008, the company intends to set aside 0.1% of our revenues for contributions to charitable organizations.



10 Corporate Responsibility Measurement

Given that 724 Solutions is a privately held company, we are prevented from releasing any specific financial data concerning the company's operations, but we do feel that several other non-financial measures could be reported in future reports and as such this will be a goal for 2008. Specifically, we will be adding measures in the following areas:

- Employee diversity
 - Ethnic minorities
 - Gender
- Percentage of our dollar spend that is with Suppliers who have active Corporate Responsibility Management programs
- Percentage of employees participating in some form of telecommuting
- Percentage of employees involved in community volunteer programs
 - Estimated volunteering hours
- Percentage of revenue contributed to charitable organizations
- Number of employee corporate responsibility complaints received
- Percentage of employees covered by the employee survey of corporate responsibility understanding
- Percentage of employees attending the annual conference on The Way We Do Business

For more information, contact:

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