

2015 United Nation Global Compact

COMMUNICATION ON PROGRESS



How SIVECO Romania applies the 10 principles of United Nations

SIVECO Romania – Message from the CEO

HUMAN RIGHTS

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2

Businesses should make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS

PRINCIPLE 3

Businesses must uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4

Elimination of all forms of forced and compulsory labor.

PRINCIPLE 5

The effective abolition of child labor.

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.

THE ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Companies should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9

Companies should encourage the development and diffusion of environmentally friendly technologies.

FIGHTING CORRUPTION

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

How we will spread this information

SIVECO Romania – Message from the CEO

*2015 marks the fifth year since SIVECO reports its sustainability initiatives to **United Nation Global Compact**. In our everyday work we keep in mind the 10 principles on human rights, labor standards and environment, and we support our zero tolerance position against any form of corruption.*

Sustainability is at the core of our business. In its 24 years of activity, the company has grown organically, contributing to the development of society by implementing over 3,500 IT projects in strategic areas like education, health or agriculture. In all this years we have worked with great responsibility, aiming to support our clients and beneficiaries with cutting-edge technology and our proven know-how. As a proof of our excellent work stand more than 200 awards and recognitions, received by our team along time.



We are determined to continue in the coming years the undertaken initiatives, to improve our strategies, products and services, so as to satisfy our customers, thus contributing to the development of the entire society.

*We invite you to read the **Communication on Progress** report, which will be available on **United Nation Global Compact** network, but also on our website www.siveco.ro.*

Florin Ilia, President & CEO SIVECO Romania

PRINCIPLE 1

Human Rights

Businesses should support and respect the protection of internationally proclaimed human rights.

OUR COMPANY POLICY

We comply with the national and international human rights laws. The values that we support are:

- care for customers, employees, partners and shareholders
- high-quality products and services
- responsibility to the communities in which we operate

We develop and implement internal procedures dedicated to employees, with concern to the protection of human rights, through compliance with the standards of quality, environment, health and safety at work, and information security. These procedures are periodically updated by the Quality Assurance and IT departments.

ACTIONS UNDERTAKEN IN 2015

✓ We have constantly informed employees through internal communications about the company's activity, according to the internal communication procedure. In this regard we have sent periodically internal information.

✓ All employees have been trained and evaluated on labor protection measures and on how to apply them.

✓ Through a process of stakeholder engagement conducted in 2015 we have applied 170 questionnaires to employees, in order to gather feedback about their overall satisfaction with their job, the company's activity and the involvement in sustainable activities. Some of the findings are:

- 99% answered all the questions
- 74% considered that they have been implied in the previous year in activities that contributed to their professional development
- 86% of the respondees consider that the resource-saving program promoted within the company is efficient

- 81% find it useful to make public the company's annual sustainability actions
- ✓ In 2015 we have upgraded the Quality Management System procedures and Work Instructions, for the specific activities in SIVECO: 45 procedures and 32 work instructions.
- ✓ In April 2015 we have published a new version of the Employee Handbook.
- ✓ During 17-19 June 2015 we have implemented the supervision audit of the Quality Management System in accordance with the requirements of the standard ISO 9001:2008, audit conducted by the certification body AFNOR Groupe.
- ✓ In December 2015 we have organized the festivity "Employee of the Year", during which we have reported the financial results of 2015, and awarded the best employees for their involvement in the projects undertaken by the company.

PRINCIPLE 2

HUMAN RIGHTS

Businesses should make sure that they are not complicit in human rights abuses.

OUR COMPANY POLICY

Our employees are our most valuable assets. At the same time, through an efficient management, employees are guaranteed and provided with the most important right - the right to work, and dignity.

Our company ensures that none of the employees is not privileged or victim of discrimination due to race, nationality, ethnicity, language, religion, social or sexual beliefs. Our employees are entitled to equal pay for equal work, fair and satisfactory wages, the right to form unions and to join trade unions, the right to health care, social security and social services.

Our shareholders, suppliers, partners and employees respect the **HUMAN RIGHTS**.

In the relationships between employees, we encourage integrity and honesty.

ACTIONS UNDERTAKEN IN 2015

- ✓ We comply with both local and international laws regarding the human rights.
- ✓ All employees have received annual medical examination and private medical insurance.

PRINCIPLE 3

LABOR STANDARDS

Businesses must uphold the freedom of association and the effective recognition of the right to collective bargaining.

OUR COMPANY POLICY

All employees are free to join any union of their choice.

All employees are free to join any association or non-governmental foundation.

Every employee has the right to negotiate their salary.

In accordance with the Romanian legislation, SIVECO's employees have expressed the wish to be represented at the Collective Labor Agreement clauses negotiations by elected employees, by the vote of at least half of their total number. They promote and protect the interests of employees in relation to the employer, for a period of 2 years.

ACTIONS UNDERTAKEN IN 2015

- ✓ The employee representatives have pursued the rights of employees, promoted the interests of employees regarding their salary, working conditions, working time and holidays, as well as health and safety at work.

PRINCIPLE 4

LABOR STANDARDS

Elimination of all forms of forced and compulsory labor.

OUR COMPANY POLICY

In our company any form of forced and compulsory labor is forbidden.

In each individual employment contract is specified that the length of the working day is 8 hours, that each employee has the right to annual holiday, other leave (maternity leave, special events) and right to training.

Each employee has the right to a salary above the National Minimum Wage, according to their job offer and their Career Development Plan (CDP) in which each employee sets his/her Key Performance Indicators (KPI) with their direct manager.

Also, any employee has the right to end the employment relationship at any time.

ACTIONS UNDERTAKEN IN 2015

- ✓ We have encouraged the right to professional development. In 2015 we have organized **120 training sessions and internal and external certifications**, with an estimated **543 participants/graduates**, totaling approximately 55,000 Euros.
- ✓ In 2015 SIVECO Romania's employees have benefited from additional rewards, due to their performance and seniority.
- ✓ All employees have benefited from meal vouchers.

PRINCIPLE 5

LABOR STANDARDS

The effective abolition of child labor.

OUR COMPANY POLICY

We support the abolition of child labor and any initiative that aims to protect the health and interests of children.

ACTIONS UNDERTAKEN IN 2015

- ✓ We have not hired anyone under 18.
- ✓ We have continued the implementation of the campaign **“A book – a gift from heart to the mind”** – to equip libraries and child and elderly people care centers with educational materials: travel guides, encyclopedias, historical and motivational books. In 2015 we have managed to donate over 5.000 books and over 2.500 CDs to childcare centers, libraries and poor schools across the country.

In this regard, SIVECO’s volunteers collaborated with:

- CONIL Association
 - Caritas
 - Kitarodia Association
 - Logos Baptist High School
 - Bookland Association
 - Arcub Association
 - Save the Delta Association
- ✓ We have continued our Christmas donations campaigns to help poor children with toys, books and school equipments
- ✓ We have volunteered at **Wings for Life World Run**, which mission is to find a cure for spinal cord injury
- ✓ We have donated 20 laptops for supporting the Hour of Code project that gathered over 900.000 participants in 2014 and 2015. The project is conducted by ADFABER Foundation and aims to promote coding among Romanian students, in order to offer them the chance of a better future.

- ✓ We have collected 59 forms from employees to transfer 2% of income tax to the:
- Always Close Foundation
 - Monastery of St. Pantelimon
 - Association Elena 98 Ploiesti
 - SMURD Foundation
 - My Life Association
 - Mothers for Mothers Association
 - Hospice Hope House
 - Brebina Parish
 - Fight For Life Charity Association
 - Grigore Alexandrescu Emergency Hospital Foundation
 - Arhipera Association
 - Save the Children Romania
 - Prahova County Community Foundation
 - Hope for Romanian Children Foundation
 - Wings for Future Association
 - Pro Vita Association for born and unborn
 - Tourist Association Daos
 - Friends of Adrian Association
 - Princess Margarita of Romania Foundation
 - Romanian Ornithological Society
 - Emergency Hospital Foundation.

PRINCIPLE 6

LABOR STANDARDS

The elimination of discrimination in respect of employment and occupation.

OUR COMPANY POLICY

Our company encourages equal opportunities.

No employee is subject to any form of discrimination due to their sex, age, race, membership of a religious cult.

Any form of physical and verbal harassment is strictly forbidden in our company.

Our company maintains a balanced proportion of management positions, in accordance with the EU requirements on breaking stereotypes on the labor market.

ACTIONS UNDERTAKEN IN 2015

✓ Number of women in leadership positions reached 16 in 2015, out of the 38 persons holding top and middle management positions.

PRINCIPLE 7

ENVIRONMENTAL PROTECTION

Businesses should support a precautionary approach to environmental challenges.

OUR COMPANY POLICY

As the leading Romanian software company, SIVECO undertakes environmental responsibility, promoting best practices in its area. Our IT solutions lead to cost reductions, to better use of human and material resources, and reduce the negative environmental impact actions.

ACTIONS UNDERTAKEN IN 2015

✓ We have continued to implement the plan mobility of employees. In 2015, our buses carried out 3,800 routes to and from work. Thus, we have contributed to reducing emissions in the atmosphere and ensuring a decent transport for employees.

PRINCIPLE 8

ENVIRONMENTAL PROTECTION

Companies should promote environmental responsibility.

OUR COMPANY POLICY

We aim for a sustainable development, both in terms of financial and economic performance and social and environmental performance.

We believe that a long-term development can only be based on a strategy in which the financial objectives are compliant with the key stakeholders' expectations.

ACTIONS UNDERTAKEN IN 2015

- ✓ We have purchased only low-power devices: computers, servers, monitors, peripherals, lighting, electrical appliances.
- ✓ We have revised the cables network and the air-conditioning systems.

PRINCIPLE 9

ENVIRONMENTAL PROTECTION

Companies should undertake initiatives to promote greater environmental responsibility.

OUR COMPANY POLICY

Our specialists have imposed as “**Green Economy**” promoters, proposing IT ecological solutions. SIVECO Romania’s Waste Management, Document Management and Transport Management Systems allow rational use of resources necessary for any organization, such as paper, fuel, energy, s.o.

We are responsible to the environment also through the purchasing of equipment with low-energy consumption: computers, servers, monitors, peripherals, lighting, electrical appliances.

The cables network and air-conditioning systems installed in the company uses energy efficiently.

ACTIONS UNDERTAKEN IN 2015

- ✓ We have monitored and optimized specific consumption of materials and utilities, in order to minimize losses.
- ✓ We have joined the campaign **Earth Hour** in March 2015. We have turned-off the lights for one hour at our office, thus supporting the worldwide movement for the planet.
- ✓ We have collected 1.575 kilograms of paper, 260 kilograms of plastic, 543 cubic meters of mixed household waste.
- ✓ Our company was acknowledged within the **Green Business Index Gala**, organized by the **Green Revolution** Association, with two awards for sustainability:
 - 2nd place in the **Sustainable Transport** category
 - 2nd place in the **Green Buildings and Spaces** category

PRINCIPLE 10

FIGHTING CORRUPTION

Businesses should work against corruption in all its forms, including extortion and bribery.

OUR COMPANY POLICY

In 2006, we have joined the **Partnering Against Corruption Initiative** - PACI, which is based on a set of corporate civic principles defined by the **World Economic Forum** in collaboration with **Transparency International** and **Basel Institute of Governance**.

ACTIONS UNDERTAKEN IN 2015

- ✓ In all our internal and external communication and documentation, we have explicitly stated our zero tolerance position, for any form of corruption.
- ✓ We have updated the **Anticorruption Guide**, an internal document intended to inform and guide employees, partners and suppliers to adopt an anti-corruption attitude. The update made in 2015 regulates especially the eligibility and selection criteria of the suppliers, partners, and non-governmental organizations that we choose to work with. The selection criteria were aligned with the international principles of good practice in the business community
- ✓ We have participated at developing the **Community Investments Guide**, published by the Romanian-American Chamber of Commerce - AmCham.
- ✓ We have organized quarterly internal workshops in order to inform, educate and engage employees in sustainable activities.
- ✓ Our service contracts and have included clauses that explicitly stated that suppliers' work must be carried out according to the principles of anti-corruption practices.
- ✓ We have organized internal trainings on anti-competitive practices with the departments involved in the contracts.
- ✓ We have trained and certified an employee in sustainability practices according to **Global Reporting Initiative (GRI)**, in order to apply correctly the indicators that standardize the economic, social and environmental reporting.

Results:

During 2015, we have not recorded any act of violation of human rights or discrimination.

How we will spread the information

The 10 principles will be made available to employees, suppliers, shareholders, the media and the general public on our website www.siveco.ro

The **Annual Sustainability Report** proves our commitment to supporting the **UN Global Compact**.



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