



2014 United Nation Global Compact

COMMUNICATION ON PROGRESS





SIVECO Romania is a strong supporter of the 10 UN Principles. The present report indicates how they were applied in 2013, within the company.

CONTENT:

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 violations.

LABOUR STANDARDS

PRINCIPLE 3

Businesses should support the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

PRINCIPLE 5

Businesses should uphold the effective abolition of child labour.

PRINCIPLE 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9

Businesses should encourage the development and distribution of environmentally-friendly technologies.

ANTI-CORRUPTION

PRINCIPLE 10

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

How will we publicize the 10 Principles?



SIVCO Romania – Message from the CEO

For 21 years, we have developed projects in 27 countries, on 4 continents, for millions of beneficiaries.

We are confident that during all this time we created added value, we generated progress and we have created opportunities for development. The constant growth of our company was based on respecting and promoting business honesty and transparency, as well, on caring for and supporting the communities where we operate.

As member of the UNGC, we communicate annually the progress we made by implementing the 10 principles referring to the human rights, labour standards, environment and the anti-corruption policies. We either speak about the large projects for introducing IT into major sectors, or we speak about the social actions we support and promote, we always take into account the UNGC Principles.

We shall continue, in the coming year, to develop, to invest in research, in quality, in our employees' professional development, to provide solutions adjusted to the market needs.

The present report represents the manner in which we prove we do respect the principles, keep our commitments and how we continue to be concerned by sustainable development. We do not deviate from our firm policy on respecting the employees' rights and the environment as well. We contribute to the development and expansion of modern technologies, we support through concrete projects elimination of discrimination regarding employment and occupation, we totally disapprove any corruption actions.

Our report will be available on the United Nation Global Compact network, but also on our website, www.sivco.ro. We are delighted to share our experience with you.

PRINCIPLE 1 HUMAN RIGHTS

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

COMPANY POLICY

We are abiding by the internal and international legislation regarding human rights protection. The values we support are: care for our customers, employees, partners and shareholders, very good quality of the products and services provided, and our responsibility for the communities we are actively involved in, creating and maintaining long term partnerships, at global level.

We are continuously improving the employees' competences through access to appropriate training courses, creation of a pleasant working environment and recognition of their efforts.

We have implemented management systems dedicated to employees regarding protection of human rights, developed based on the requirements of international standards on quality, environment, health, and vocational and information security, too. The systems' procedures are regularly updated and controlled by the Quality Assurance and IT Departments, respectively.

MEASURES TAKEN OVER THE PAST YEAR

- ✓ We have consistently informed the employees, via internal communication procedures, about company's activity; over 30 internal information messages (including newsletters) on human rights have been made available to our employees.
- ✓ All employees have been trained and tested on the labour protection measures and their application methods.
- ✓ During the period of February 2013 – February 2014, the following management

system's procedures were updated and made available to our employees:

- Procedures on Human Resources Management (training process);
- Procedures regarding Communication (Marketing Communication and Quality Manual);
- Procedures on the Work Environment Management.
- The document highlighting a series of internal rules, policies and procedures (Employee's Manual).

✓ We carried out a surveillance audit for maintaining the certification of the Information security Management System, according to SR ISO/CEI 27001:2006 standard's requirements, which our compliance with the best practices in this area. The standard is based on principles defining the information security: information confidentiality, integrity and availability. It ensures a long term security based on implementation of security policies, procedures and methods dedicated to protecting information and the company's resources, too. By reducing risks to a maximum it is guaranteed that the management system is operational and fulfils the company's operational requirements, the customers' expectations and it complies with the legislation in force.

Thus, our employees as well as our clients are confident that their personal information privacy is respected.

PRINCIPLE 2 HUMAN RIGHTS

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

COMPANY POLICY

In our company, the employees represent the most precious asset. Through a high performing management our employees are guaranteed and effectively ensured the most important right - employees' labour rights, and the dignity this entails.

Our company is ensuring that no employee is privileged or subject to discrimination because of his/her race, nationality, ethnic background, language, religion, social

category, or sexual orientation. Our employees have the right to equal payment for equal work, to an equitable and satisfying remuneration, the right to join/affiliate trade unions, to healthcare, to social security, and social services.

All our shareholders, suppliers, partners, and collaborators respect the human rights.

We encourage integrity and honesty in the relationships among employees and other stakeholders.

ACTIONS TAKEN OVER THE PAST YEAR

- ✓ We promote and support the development of innovative solutions for the education of children with special needs and disadvantaged adults. The "CES Portal - Special schools Portal project - interactive multimedia educational content for children with special educational needs" implemented by the Ministry of Education - Project Management Unit with External Funding with SIVCO Romania as supplier, received the trophy World Summit Award Winner 2013 in the eInclusion & Empowerment category.
- ✓ In order to ensure maximum transparency of our business, at the beginning of 2013 we disclosed the financial balance and development strategy for the next year to our employees and also to the public.
- ✓ We carefully inform and verify our suppliers, partners, employees of the obligation to respect the internationally proclaimed human rights, following specified instruction inside the Quality Manual.

PRINCIPLE 3 LABOUR STANDARDS

Businesses should support the freedom of association and the effective recognition of the right to collective bargaining.

COMPANY POLICY

The employees of our company have the freedom to join any trade union of their choice.

All employees are free to be part of any professional and non-professional association or non-governmental organization.

Every employee is entitled to negotiate his/her salary.

In conformity to the legislative provisions, the employees of SIVECO Romania have expressed their desire to be represented for Collective Labour Contract's clauses bargaining by employees chosen through the vote of at least half of their total number. These employees promote and protect their colleagues' interests in relation with the employer, for a period of two years (their mandate duration).

ACTIONS TAKEN OVER THE PAST YEAR

The employees' representatives have been focused on observance of the employees' rights, promoted the employees interests regarding salary, working conditions, working time and rest time as well as work health and safety.

PRINCIPLE 4 LABOUR STANDARDS

Businesses should uphold the elimination of all forms of forced and compulsory labour

COMPANY POLICY

In our company any form of forced and compulsory work is excluded.

The individual labour contract includes work rights such as: the regular workday of eight (8) hours, paid vacation, paid national holidays, as well as other holidays (i.e., maternity leave, vacation for special events), and job-related training courses.

Every employee receives more than the minimum gross wage per economy according to the job offer and to the individual CDP (Career Development Plan). A procedure on employees' performance assessment is in place in our company. Thus, each employee has the opportunity to discuss his/her KPI (Key Performance Indicators) with his/her

supervisor and to support his opinions. Also, any employee is free to resign his/her position at any time.

ACTIONS TAKEN OVER THE PAST YEAR

- ✓ We have encouraged the employee's professional development plan. In 2013 we organized 272 training sessions and internal / external certifications worth a total value of some 100,000 euro. The number of attendances in the internal courses was 965, while the number of attendances to the external courses was 225.
- ✓ In 2013, a year marked by the global economic recession, the employees of SIVECO Romania benefitted from additional bonuses due to their good performance and to their years in service with the company (seniority).
- ✓ All employees have received lunch vouchers.

PRINCIPLE 5 LABOUR STANDARDS

Businesses should uphold the effective abolition of child labour

COMPANY POLICY

We support the abolition of child labour and any initiative aiming at protecting children's health and children's interests as well.

ACTIONS TAKEN OVER THE PAST YEAR

- ✓ We did not hire persons under the age of 18.
- ✓ We collected 100 forms from our employees for donating 2% of their annual income tax towards 31 organizations, many of them developing programs for helping children in need.

PRINCIPLE 6 LABOUR STANDARDS

Businesses should uphold the elimination of discrimination in respect of employment and occupation

COMPANY POLICY

Our company is an equal opportunity employer.

No employee is subject to any form of discrimination based on gender, age, race, nor religion.

Any form of physical or verbal harassment is strictly forbidden.

In our company, there is a ratio of management positions balanced as age and gender, in conformity to the European Union requirements regarding elimination of stereotypes on the labour market.

ACTIONS TAKEN OVER THE PAST YEAR

- ✓ The number of female employees in management positions (top and middle management) out of the total employees has reached 14 out of a total of 36.
- ✓ We participated in the first international conference „Women in business“, with the aim of supporting a business environment without discrimination on sex.

PRINCIPLE 7 ENVIRONMENT PROTECTION

Businesses should support a precautionary approach to environmental challenges

COMPANY POLICY

As leader of the software market, our company undertakes the responsibility towards environment, promoting good practices in this field. Our IT solutions aim to reducing costs, to the better use of materials and human resources, to diminishing actions

having a negative impact on the environment.

ACTIONS TAKEN OVER THE PAST YEAR

- ✓ We continued to apply the employees' mobility plan, by subcontracting special buses for their transport to/from the office. Thus, the same transport mean was used by 15-20 persons, instead of personal cars. There were 3,100 trips to and from the office carried out in 2013. This way, we contributed to reducing pollutants discharge into the atmosphere and to ensuring a civilized and timely transportation for our employees.
- ✓ We carried out a surveillance audit for the Environment Management System (EMS) certified according to the SR EN ISO 14001:2005 standard requirements, which demonstrates SIVCO controls its environmental aspects and has in place environmental impact mitigation procedures.

PRINCIPLE 8 ENVIRONMENT PROTECTION

Business should undertake initiatives to promote greater environmental responsibility

COMPANY POLICY

Our goal is to maintain a sustainable development, as regards to the economic, financial, social and environmental performances.

We understand that a long-term development can only be achieved with a wise strategy in which the financial and market objectives are compatible with the expectations of the main co-interested groups.

ACTIONS TAKEN OVER IN THE PAST YEAR

- ✓ We reduced our energy consumption by implementing various organizational measures (e.g. appliances with low energy consumption: computers, servers, displays, peripherals, lighting devices, and electric devices, maintenance works for wire network and the air conditioning system, etc.).
- ✓ We have continued to maintain the Environmental Management System Certification by TÜV Austria, according to EN ISO 14001:2004 standard requirements, which ensures our customers that they can trust that our organization is actively minimizing the impact on environment through its own processes, products and services. .
- ✓ We published the Report on Sustainable Development 2012, where we disclose the environment programs and policies.
- ✓ We participated in the CSR Responsibility seminar regarding the techniques of reporting the social responsibility activity, supported by Elaine Cohen, consultant at Beyond Business Ltd.

PRINCIPLE 9 ENVIRONMENT PROTECTION

Businesses should encourage the development and distribution of environmentally-friendly technologies

COMPANY POLICY

The specialists of our company have imposed themselves to be promoters of „Green Economy” principles, developing environmentally-friendly solutions. SIVECO Romania solution for waste management, documents’ management or for transportation management allow for the rational use of the resources necessary to any organization- paper, fuel, energy, etc.

We always are interested in acquiring equipment with low energy consumption: computers, servers, displays, peripherals, lighting devices, and electric devices. The

high performance wire network and the air conditioning system installed on the company's premises allow increasing the efficiency of energy consumption.

ACTIONS TAKEN OVER IN THE PAST YEAR

- ✓ The specific materials and utilities consumption have been monitored and optimized, while losses have been reduced.
- ✓ Internal communication messages on the benefits of IT environmentally-friendly solutions, as well as on energy efficiency, have been sent to our employees, as to increase their awareness on environmental impact mitigation, as one of our duties.
- ✓ We have joined the campaign in March 2013 and we have turned the light off for one hour on our headquarters. This way, we have supported the international campaign "Turn off the light! With you, we'll be a billion", a warning signal for protecting resources. All our employees were enthusiastic and supportive for this initiative.
- ✓ We have a procedure for selective collection of waste (paper, cardboard and plastic) for sending them to recycling, and thus contributing to natural resources protection.

PRINCIPLE 10 ANTI-CORRUPTION

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

COMPANY POLICY

Our company fights against any forms of corruption including bribery, political influence, external pressure, or extortion. All of these are clearly defined in the Anti-Corruption Manual, each employee is aware of.

In 2006, we have joined the Partnership against Corruption Initiative (PACI). This partnership is based on a set of principles of corporate citizenship defined by the World Economic Forum in collaboration with Transparency International and the Basel Institute on Governance.

Our suppliers' selection is done based on an evaluation related to their attitude according to ISO 9001:2008 standard, while ensuring that they do respect the basic principles of the convention of International Labour Organization and that they run their activity by the same ethic standards as us.

We apply the communication transparency principles continuously providing information to mass-media related to our contracts with public authorities.

When implementing EU funded projects we abide by the following principles: non-discrimination, equal treatment, transparency, proportionality, efficiency in using public funds.

ACTIONS TAKEN OVER IN THE PAST YEAR

- ✓ We updated the Ethics **Manual** and the **Anti-Corruption Manual**.
- ✓ We carried out verification the employees' knowledge Ethics Code and the Anti-Corruption Manual have been verified based on specific questionnaires.
- ✓ We published the **Social Responsibility report 2012**
- ✓ We received the certificate for **International Anti-Bribery Training** organized by Oracle, thus demonstrating our compliance with the conduct and ethics norms of our strategic partner.
- ✓ We actively participated in the conference **Business Ethics and Compliance** on the topic "Public policies promoting business ethics and legal conformity", organized by the Center for Juridical Resources at the Chamber of Commerce and Industry of Romania.
- ✓ We contributed to the development and launch of Anti-Corruption **Guide developed by the American Chamber of Commerce (AmCham) in Romania**. The guide contains ethics principles and rules of business conduct.
- ✓ We had a continuous dialogue with the Romanian Authorities on the implementation of the national anti-corruption strategy (SNA) through the National Anti- Corruption Platform.
- ✓ We participated in the **Annual Anti-corruption Conference** which is part of the project "Additional measures in view of carrying out the reference objectives

within Mechanism for Cooperation and Verification (MCV)”.

- ✓ We participated in the mission of evaluating the implementation of **National Anti-corruption Strategy: 2013-2015** at the level of public institutions.
- ✓ We have carried out a presentation of SIVECO interest in the fields of CSR and anti-corruption within the **anti-corruption seminar organized by AmCham and the Foundation for Local Development**, moderated by prof. Robert Klitgaard (one of the greatest world experts in measures for fighting corruption).
- ✓ We drafted an action plan including responsibilities and deadlines related to our employees’ compliance with the Ethics Code and the Anti-Corruption Manual.

Results:

No action of corruption, violation of human rights, discrimination, or legal action in court for non-compliance with the country’s laws has occurred.

How will we publicize this information?

The 10 Principles will be made available to employees, suppliers, shareholders, mass-media, as well as to the large audience on our website **www.siveco.ro**

The annual Corporate Social Responsibility Report indicates our commitment in support of the United Nations Global Compact.

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