

Communication on progress

Organization: Gradalogistic Group



Country: Republic of Moldova

Sector: Transport and logistics

Reported period: 2011 - 2012



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General Director's Statement

Since June 2011, our company "Gradalogistic Group" SRL continued actively to support the United Nations initiative. In 2011, as a head company in our Group of companies, we continued to align the strategies and operations of all companies in our Group with 10 principles of the United Nations Global Compact and to deepen their commitment and actions through training and guidance.



As a member of the Local Network Coordinating Committee we act as an Ambassador for the Global Compact at the national and local levels. We became one of the founders of the Local Network Global Compact Organization.

Information openness and willingness to cooperate with all interested parties is an important part of our company's socially responsible behavior.

Annual reporting on our company's efforts highlights the sustainable practices in our interactions with suppliers and partners.

Sincerely,

General Director of **Gradalogistic Group**

Veaceslav Damaschin



About the Company

"Gradalogistic Group" SRL has more than 10 years experience in the field of freight forwarding services in Moldova. We operate in the domains of rail freight forwarding, freight forwarding of containers, road transports and customs brokerage. We have subsidiary



companies in Chisinau, Moldova, in Minsk, Belarus, and in Odessa, Ukraine. In 2011 we implemented the ISO 9001:2008 Quality Management Standard in the Company.

Gradalogistic Group mission is to create a competitive advantage in the business of our customers, striving for excellence in solving logistic problems of any complexity.

Gradalogistic Group corporative values are:

Purposefulness, Competence, Innovativeness, Correctness and Care.



REPORT

CORPORATE SUSTAINABILITY LEADERSHIP

Since June 2008, our Company "Gradalogistic Group" SRL, proudly supported the United Nations initiatives, and became the member of the Global Compact Network and Global Compact Local Network. Our Company continues the implementation of ten principles of human rights, labor, environment, and anti corruption in our daily practice and make them the basis principles of our group of companies. It helps to create a stable environment and confident atmosphere in the regions where our Group of companies are represented, representing itself a process of permanent dialogue with employees, customers and society as a whole.

Regarding this issue, the company's management, employees and subsidiaries promote on every meeting and negotiations the company's commitment to the Global Compact and driving the activities according to the agenda and universal principles.

Due to the permanent implementation of the universal principles and innovation, "Gradalogistic Group" SRL, using the message of corporate responsibility, act **as an Ambassador for the Global Compact and advocate** for all our supplies and partners in order to embrace the Global Compact principles.



"Gradalogistic Group" SRL highlights company's efforts in advancing the Global Compact in regular communication with investors, using also the media relations efforts. In this regard, Group of companies organized the team buildings and web seminars (April 11, 2012), including with the Global Compact logo.

Our company supports and respects international human rights. No discrimination based on age, kinship, religion, gender or ethnic backgrounds, etc.

"Gradalogistic Group" SRL assumes responsibility to **respect human rights**, drawing the following principles:

Principle 1: Support and respect the protection of internationally proclaimed rights.

Principle 2: take measures to prevent human rights violations.

The rights of every employee in the Group of companies are protected by the applicable provisions of the Constitution of the Republic of Moldova (Chapter 2, "The rights and freedoms of person and citizen"), labor Code of the Republic of Moldova and a number of other existing normative documents.

The rules of employees' behavior and the activity of our company in respecting the human rights are governed by the internal documents of Gradalogistic Group" SRL:

- Internal regulations, including the principles of liability for breakage of employees, maintaining trade secrets and confidential information.
- Regulation on the bonus policy and financial remuneration of employees.
- Contract system statute of hiring employees in the enterprise.
- Regulations on the advanced training, training and retraining.
- Standards of corporate ethics (the document has been worked out for the group of companies Gradalogistic Group).

Practical steps to implement the principles:

- The company provides insurance coverage for medical expenses of employees in case of illness.
- Recruitment to the "Gradalogistic Group" SRL is based on relevance of experience and qualifications of applicants to the post requirements.



- Standards of corporate ethics adopted by the company aim to maintain corporate values and relate to any and all employees of the company.
- At the company branches are held sports and recreation activities, cultural, entertainment and corporate events for staff (Christmas and New Year celebration, Easter, the presentation of new brand, etc).



"Gradalogistic Group " SRL participated in the sponsorship and charity programs and events. In particular, the construction of the church "Adornirea Maicii Domnului" in the Stetskani village, Kriuleni district and supporting the vulnerable families with many children.



Labor relations

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: Businesses should advocate for the elimination of all forms of forced and compulsory labor;

Principle 5: Businesses should support effective abolition of child labor;

Principle 6: Businesses should advocate for the elimination of discrimination in employment and occupation.

"Gradalogistic Group" SRL protects employees' rights as defined by the Moldovan legislation, namely the right to the equal opportunities in employment and occupation, the right to health and safe working condition, do not use child labor and no forced labor, and ensures that the discrimination in labor and employment in the branches of the company are excluded.

The documents governing the company's policy in protection of working conditions are worked out on the basis of the requirements of the Labor Code of the Republic of Moldova, the labor Protection Act, the law of Salaries and other applicable regulations of the Republic of Moldova:

Principles of health and safety;

Standards of corporate ethics;

Regulations of the contract system of hiring employees in the Group of Companies;

Plan for further training and retraining of personnel.

"Gradalogistic Group" SRL provides jobs to its employees, meeting all environmental regulations and standards of safety. The operating workweek conditions established under the labor laws and not exceed 40 hours per week.

"Gradalogistic Group" SRL never had cases of forced labor. The average salary corresponds to the country level with all payments to the official release and payment of sick leave under law. The "staff reserve" project involves the expansion of work with young professionals, the development of a personnel reserve, and training of young professionals.



Environment

Principle 7: Businesses should support an approach to environmental issues based on the precautionary principle;

Principle 8: Businesses should undertake initiatives aimed at increasing responsibility for the environment;

Principle 9: Businesses should support the development and diffusion of environmentally safety technologies.

Activity of the "Gradalogistic Group" SRL is based on the principles of responsibility towards their workers, the environment, promoting stability and full development of the regions of presence. "Gradalogistic Group" SRL taking all measures to minimize the damage, which may be caused on the environment, is a key for the company. We procure and operate only the equipment that meets the highest ecological standards (Ex. our vehicle fleet).

"Gradalogistic Group" SRL was heavily involved in promoting the principles of Corporate Social Responsibility (CSR). Safety and environmental concerns are very important in our daily activities. Efforts made in this direction include the involvement of employees as volunteers in pro ecological actions.



We attended the event "Hai Moldova" ("Let's do it, Moldova") and took an active part in cleaning up the municipal park Rashkani in Chisinau on May 12, 2012.



Anti-corruption

Principle 10: Businesses should resist all forms of corruption, including extortion and bribery.

"Gradalogistic Group" SRL opposes corruption and is not involved in illegal activities. External and internal company relationships are built on the principles of honesty, objectivity, fairness and integrity. The structure and the operations of the company are transparent. We comply with the high level of business ethics, including the storage of confidential information of its customers. The corporate Ethics Code is the document that describes the correct way in doing business for our staff.

