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## **Communication on Progress 2013 – United Nations Global Compact**

**Brasov, 28.04.2014**

### **Human Rights**

One of the most important goals of our company is to respect international human rights and to continuously improve our social performance.

The main policies and management systems that support human rights are:

- *Quality and environment policy of the company:* Romradiatoare S.A. ensures occupational safety and health at its workplaces by minimizing and isolating risks for employees, contractors and visitors.
- *Collective labour agreement:* This agreement is aimed to promote and implement equitable labour relations as to enable a profitable activity, ensure social protection for employees and avoid the appearance of collective labour conflicts. In our company there are regular meeting between employee's representatives and employer's representatives as to find solutions regarding social and professional aspects.
- *Health and safety procedure:* Our company respects the national and international laws regarding healthy and safe working conditions.
- *Code of conduct:* Every business contract issued by Romradiatoare S.A. has an appendix named code of conduct which binds the business partners (suppliers, contractors etc.) to respect the human and labour rights.

The most important practical activities undertaken to support human rights are:

- *Providing safe and healthy human conditions.* All the employees have protection equipments. In the past year there were not registered any work-related incidents.
- *Providing access to basic health, education and housing for workers and their families.*  
All the employees have access to our own physician office, which is open daily and where they can benefit of free consultation and medical treatments. Romradiatoare provides for all employees free access to cold and hot drinks through the vending machines located in each workshop.  
Our company offers internal and external trainings in many different areas such as: sales, project management, quality systems, environment, IT etc. Our company has the possibility to offer housing for workers and their families. In past year one of our employees has benefited of this possibility.
- *Providing trainings on health and safety aspects.* The employees benefit of trainings on health and safety aspects since beginning to work in the company untill the contractual agreement ends.

Table No.1 shows our progress in the last years and also the target for 2014 regarding human rights issues. Regarding trainings, the percent increase with 1,02% in 2013 since 2012. The trainings are analyzed in Table No.1., dealt with quality & environment, health and safety, emergency situations. Regarding trainings, for 2014, our objective is to achieve a percent of 110%. The percent of absenteeism decreased from 14% in 2012 at 13.4% in 2013 and has to reach 13% in 2014. The volunteer fluctuation of employees has decreased at 0,6% in 2013 and has to reach 0,5% in 2014.

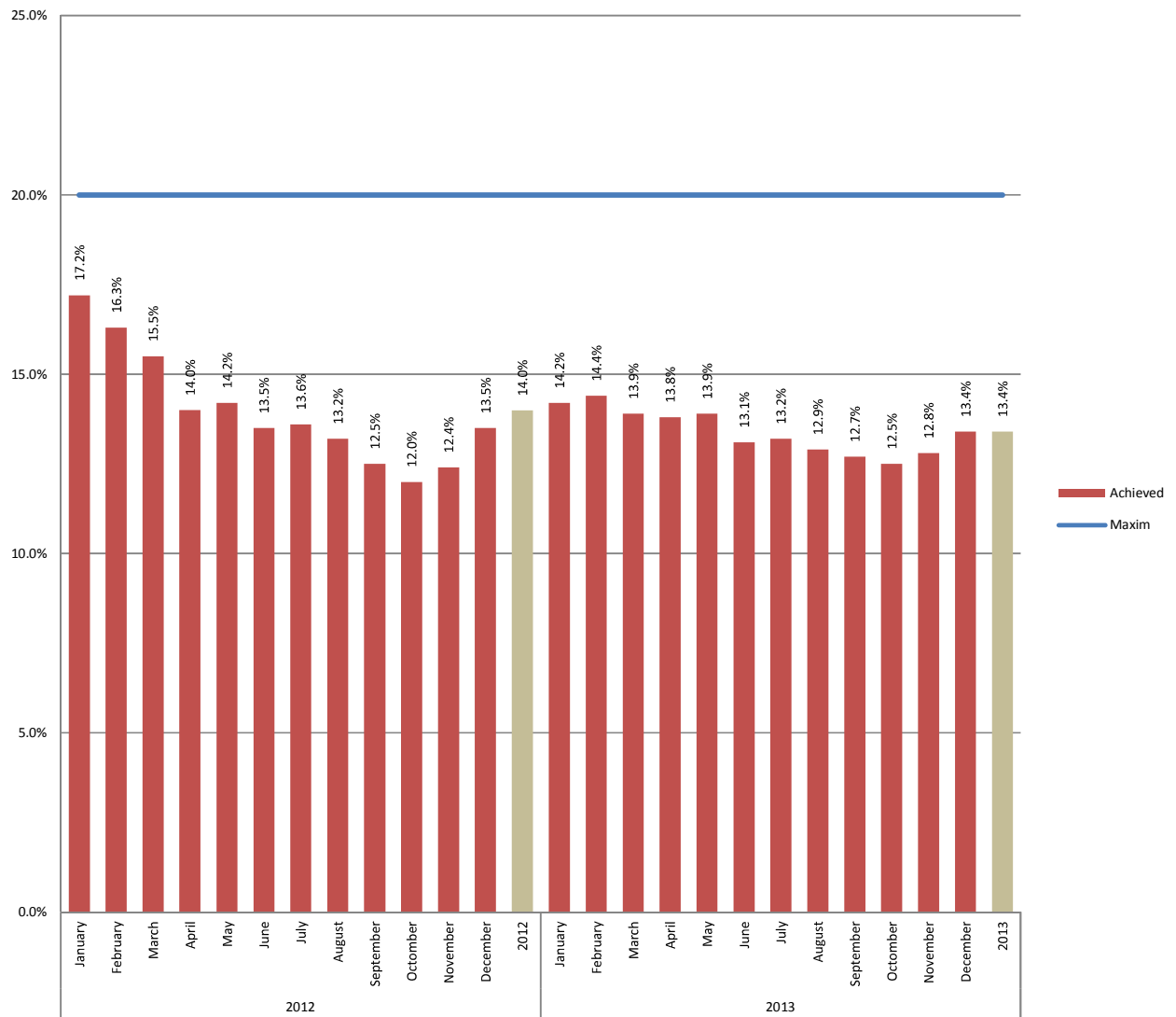
Table No.1: Human rights indicators

HUMAN RIGHTS	INDICATOR	2012	2013	2014 (target)
<b>Trainings</b>	Hours planned/hours achieved	108%	109,1%	110%
<b>Absenteeism</b>	% from total working hours	14 %	13.4%	13%
<b>Volunteer fluctuation</b>	Number of voluntary departures/average number of employees	0.8%	0.6%	0.5%

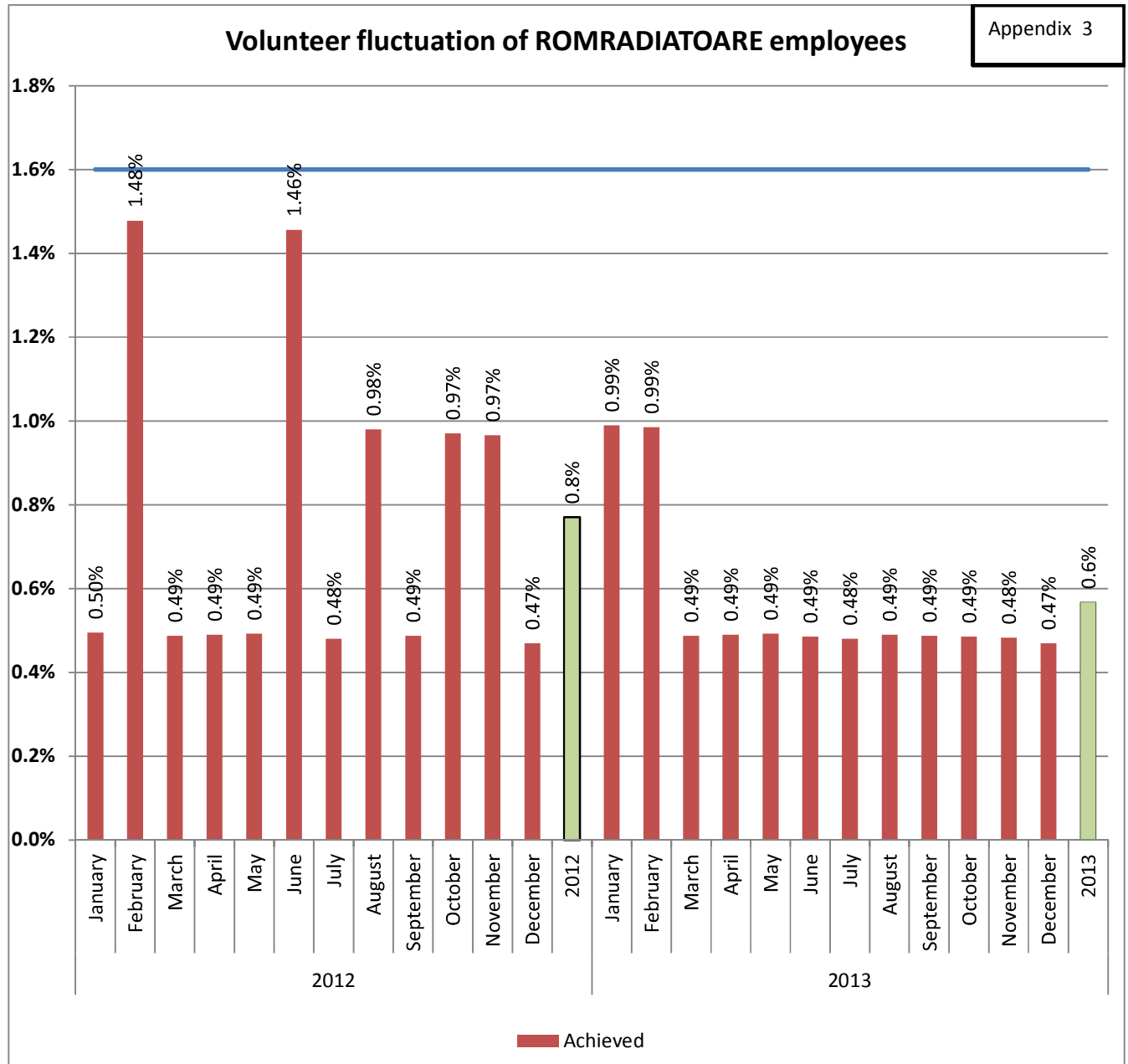


## Absenteeism ROMRADIATOARE

Appendix 2



## Labour



Romradiatoare S.A. commits to protect the national and international labour rights by all means. All our employees are entitled to join unions for the protection of individual and collective interests.

The main policies and management systems that support labour rights are:

- *Quality and environment policy of the company.* Romradiatoare S.A. ensures occupational safety and health at its workplaces by minimizing and isolating risks for employees, contractors and visitors.
- *Collective labour agreement.* This agreement is aimed to promote and implement equitable labour relations as to enable a profitable activity, ensure social protection for employees and avoid the appearance of collective labour conflicts. In our company there are regular meetings between employee's representatives and employer's representatives as to find solutions regarding social and professional aspects.
- *Health and safety procedure.* Our company respects the national and international laws regarding health and safety working conditions.
- *Code of conduct.* Every business contract issued by Romradiatoare S.A. has an appendix named code of conduct which binds the business partners (suppliers, contractors etc.) to respect the human and labour rights.

The most important practical activities undertaken to support labour rights are:

- *Freedom of association.* We recognize the right of all employees to establish or join unions or other professional organisations. ROMRADIATOARE S.A., the unions and the employees' representatives are working together in the spirit of a constructive and cooperative management for defusing potential conflicts.
- *No discrimination.* We provide equitable opportunities and treatments, regardless of race, colour, sex, religion, nationality, sexual orientation, social origin or political beliefs, as long as this is based on democratic principles and on tolerance for the people that think differently. Employees will be selected, hired and promoted only based on their qualifications and abilities.
- *Free choice of the workplace.* ROMRADIATOARE S.A. denies any use of forced, bonded or involuntary labour.
- *Abolition of child labour.* Child labour is prohibited. The minimum age for employment is in accordance with applicable laws.
- *Compensation / Remuneration.* The paid remuneration provided for a standard working month and complies with the principle: "equal payment to equal work".
- *Working hours.* The working hours and paid holidays are at least according to national legal requirements.
- *Safety and health protection at workplace.* ROMRADIATOARE S.A. meets all national standards for a hygienic and safe working environment. Following this, the company takes all the required measures to provide health and safety at the workplace, and to maintain healthy working conditions.
- *Qualification.* ROMRADIATOARE S.A. supports the qualification of its workforce as to facilitate increasing levels of performances and high quality work standards.

Table No.2 shows our progress in the last years.

Regarding employees age, most of our employees have 40-55 years.

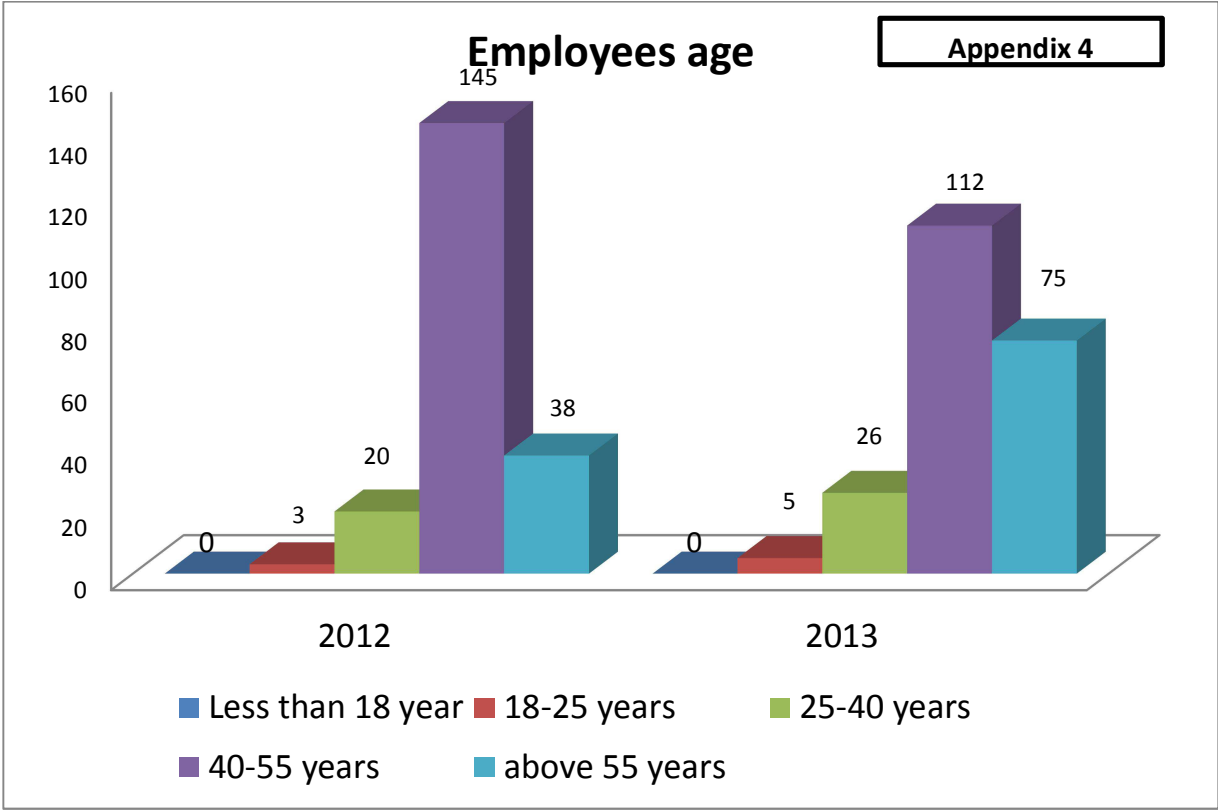
Regarding employees type, the number of blue collar workers grew with 4.5% in 2013 compared with 2012. The number of male employees grew with 7.4% in 2013, meantime the number of female employees grew with 2.8%. The average salary for all the types of employees has increased in 2013 with 2.88%.

The gap between men (blue collar) workers and women (blue collar)workers has decreased in 2013 with 5.8% Also the gap between men (white collar)workers and women (white collar)workers has decreased with 1.2% in 2013 compared with 2012.

Regarding the ethnicity, there weren't registered major fluctuation in 2013 compared with 2012. In 2013, most of the employees were Romanian (95.7%), a small part Hungarian (3.2%) and a very small part Gypsy (1,1%).

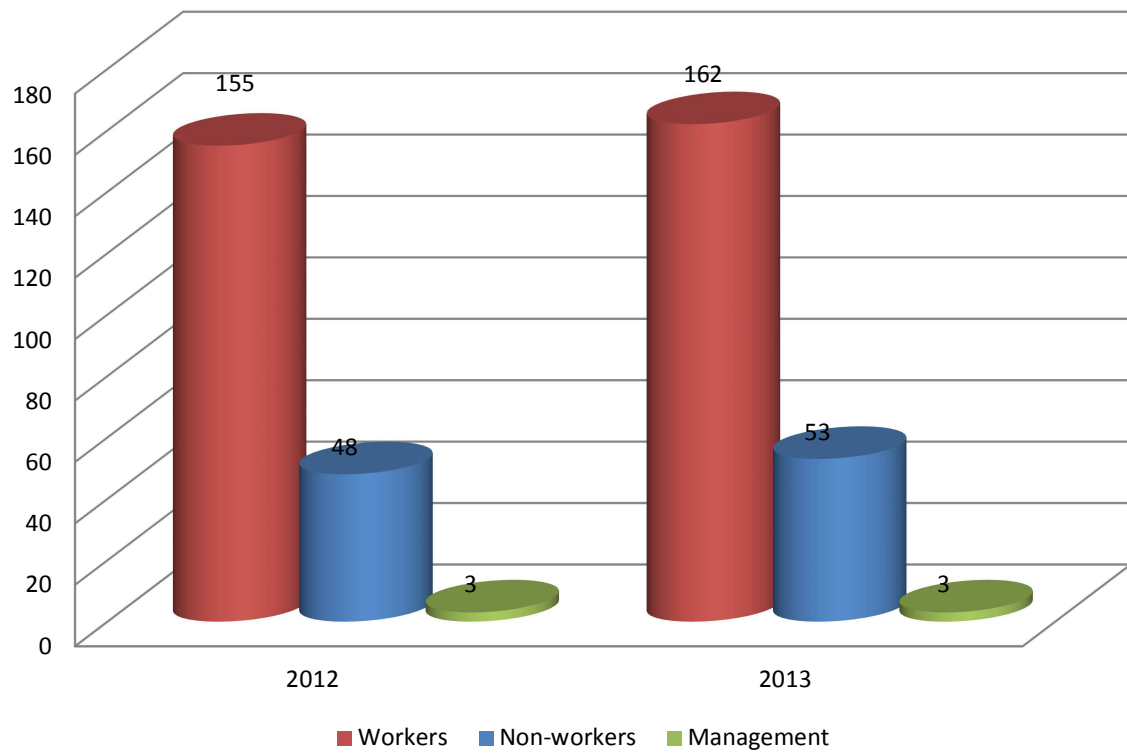
Table No.2: Labour rights indicators

LABOUR RIGHTS	INDICATOR	2012	2013
<i>Employees age</i>			
<b>Less than 18 year</b>	no. of employees	0	0
<b>18-25 years</b>	no. of employees	3	5
<b>25-40 years</b>	no. of employees	20	26
<b>40-55 years</b>	no. of employees	145	112
<b>above 55 years</b>	no. of employees	38	75
<i>Employees type</i>			
<b>Blue Collar Workers</b>	no. of employees	155	162
<b>White Collar workers</b>	no. of employees	48	53
<b>Management</b>	no. of employees	3	3
<i>Employees gender</i>			
<b>Male</b>	no. of employees	135	145
<b>Female</b>	no. of employees	71	73
<i>Employees average salary</i>			
<b>Women (workers)</b>	€	210	230
<b>Men (workers)</b>	€	267	279
<b>Women (non-workers)</b>	€	419	425
<b>Men (non-workers)</b>	€	495	497
<i>Ethnicity</i>			
<b>Romanian</b>	% from total employees	96%	95.7%
<b>Hungarian</b>	% from total employees	3%	3.2%
	% from total employees	1%	1.1%



## Employees type

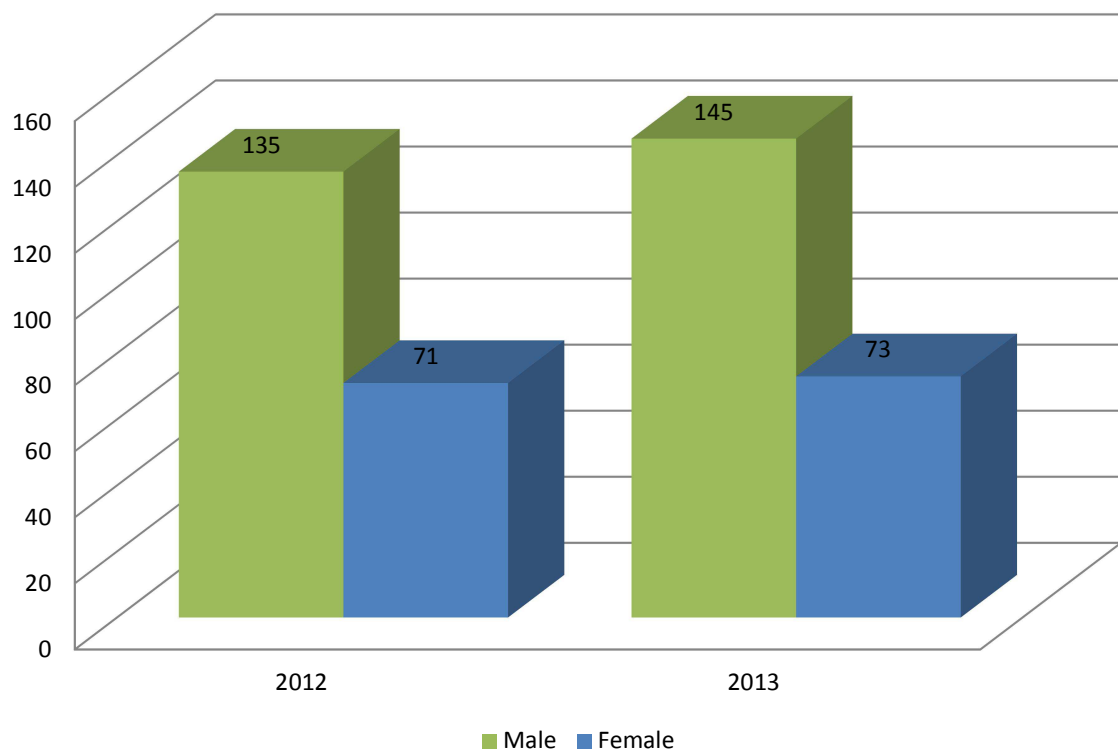
Appendix 5





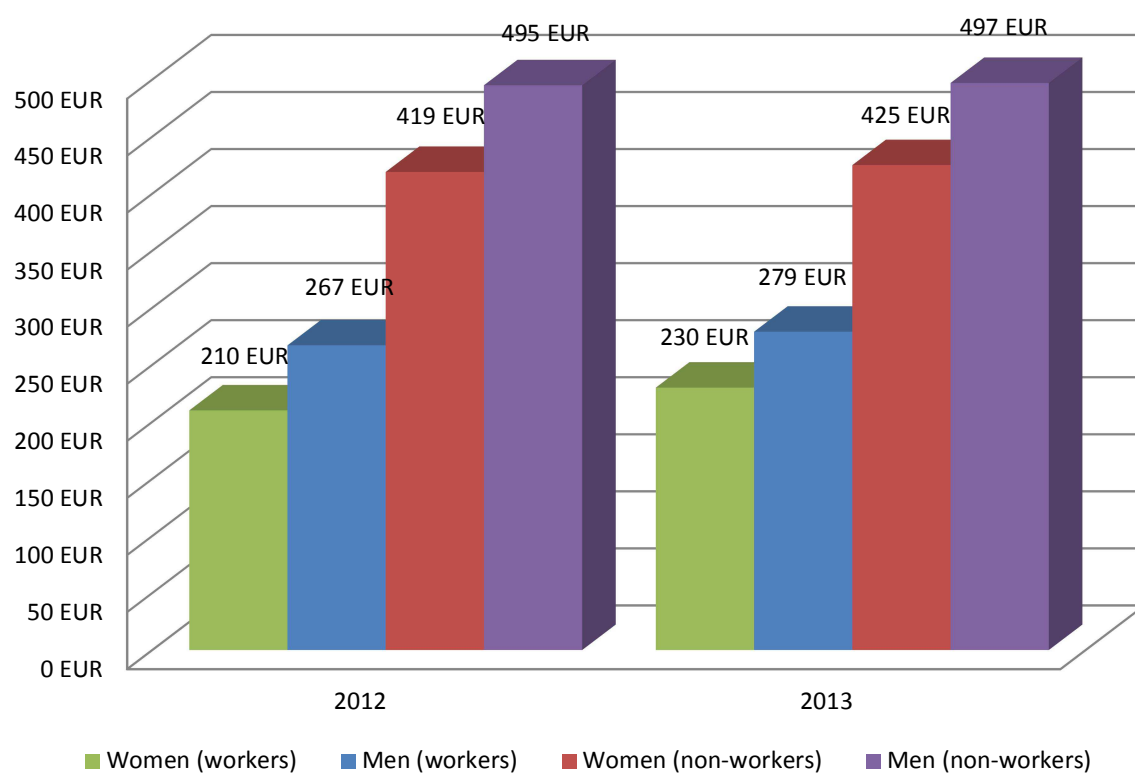
## Employees gender

Appendix 6



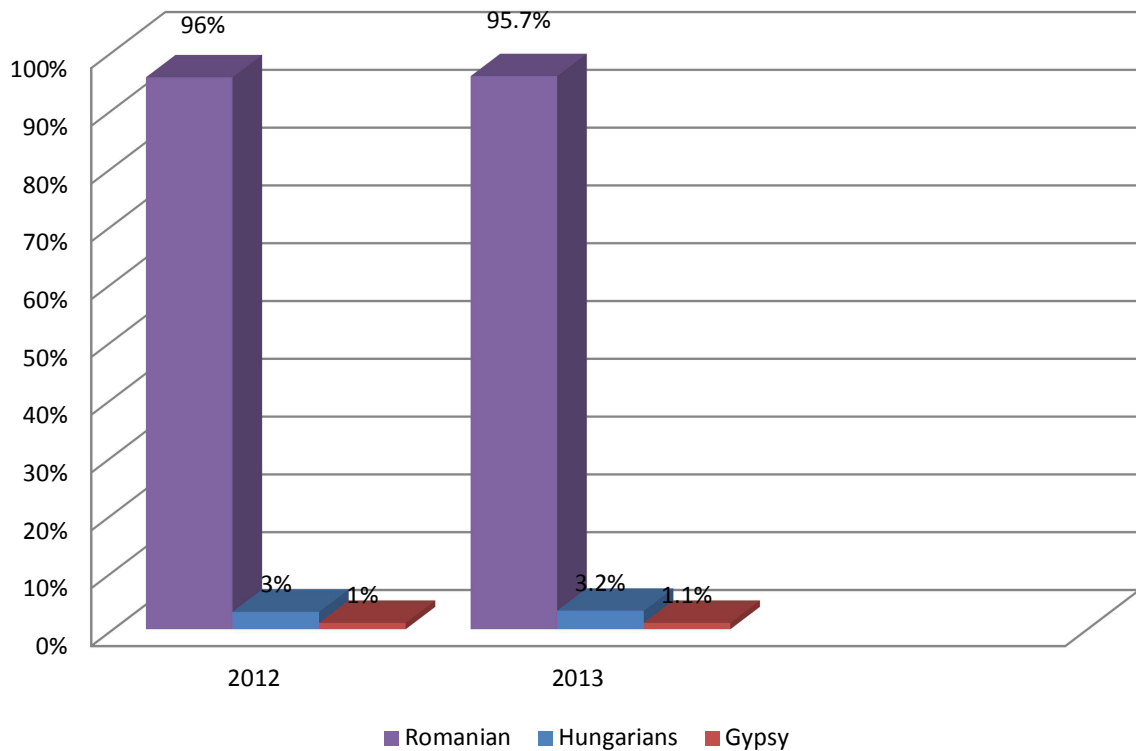
## Employees average salary

Appendix 7



## Employees ethnicity

Appendix 8



## Environment

Romradiatoare S.A. commits to protect the environment by preventing pollution through promoting and implementing the best technologies in its processes.

The main policies and management systems that support environment rights are:

- *Quality and environment policy of the company.* Romradiatoare has an open communication with all stakeholders about its environment policy. Furthermore Romradiatoare has implemented the best case practices for the new manufacturing technologies. The design of the products and processes are made taking into account the exhaustible energy resources. Romradiatoare goal is to improve the quality of life by increasing the green space within the company. All these targets are internal monitored through the Management Analysis and external monitored through ISO 14001:2005 Audits.
- *Code of conduct.* Every business contract issued by Romradiatoare S.A. has an appendix named code of conduct which binds the business partners (suppliers, contractors etc.) to respect the environment rights.

The most important goals for 2014 concerning environment rights are:

- 3% decrease of electricity consumption / unit of product
- 8% decrease of gas consumption / unit of product
- Maintaining the quality of wastewater

- Minimum 60% recycling of the carton introduced on domestic market

Tables No. 3, 4 and 5 shows our progress in the last years regarding environment rights issues. Energy consumption has decreased in 2013 with 4.76% compared with 2012. Gas consumption has decreased with 2.05% in 2013 compared with 2012.

pH maintained its value in 2013 between the minimum parameter (6,5%) and the maximum parameter (8,5%) and achieved a value of 7,13

Regarding paper and cardboard, the recycled quantity decreased from 62,24% in 2012 to 61% in 2012 (minimum quantity accepted).

Table No. 3: Energy and gas - environment rights indicators

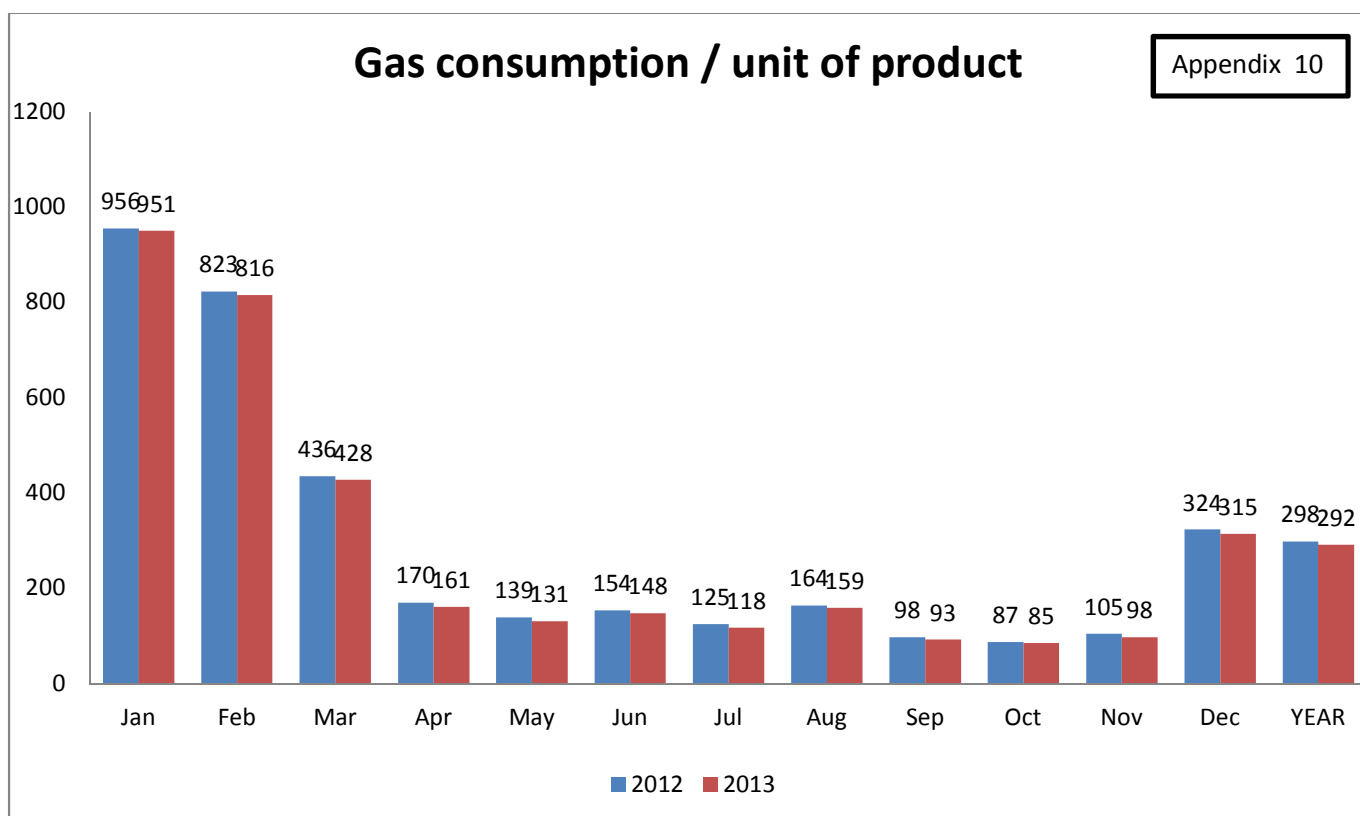
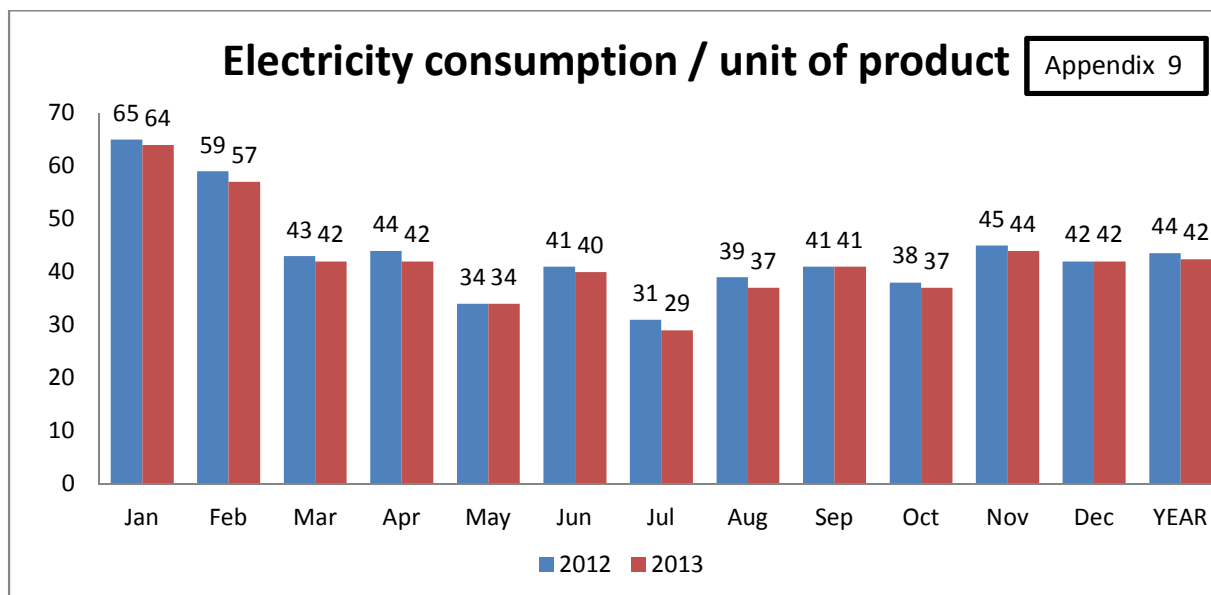
	JAN	FEB	MAR	APR	MAI	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
<b>Energy</b>													
<b>2012</b>	65	59	43	44	34	41	31	39	41	38	45	42	44
<b>2013</b>	64	57	42	42	34	40	29	37	41	37	44	42	42
<b>Target 2014</b>	63	56	39	38	29	37	30	37	35	35	41	40	40
<b>Gas</b>													
<b>2012</b>	956	823	436	170	139	154	125	164	98	87	105	324	298
<b>2013</b>	951	816	428	161	131	148	118	159	93	85	98	315	292

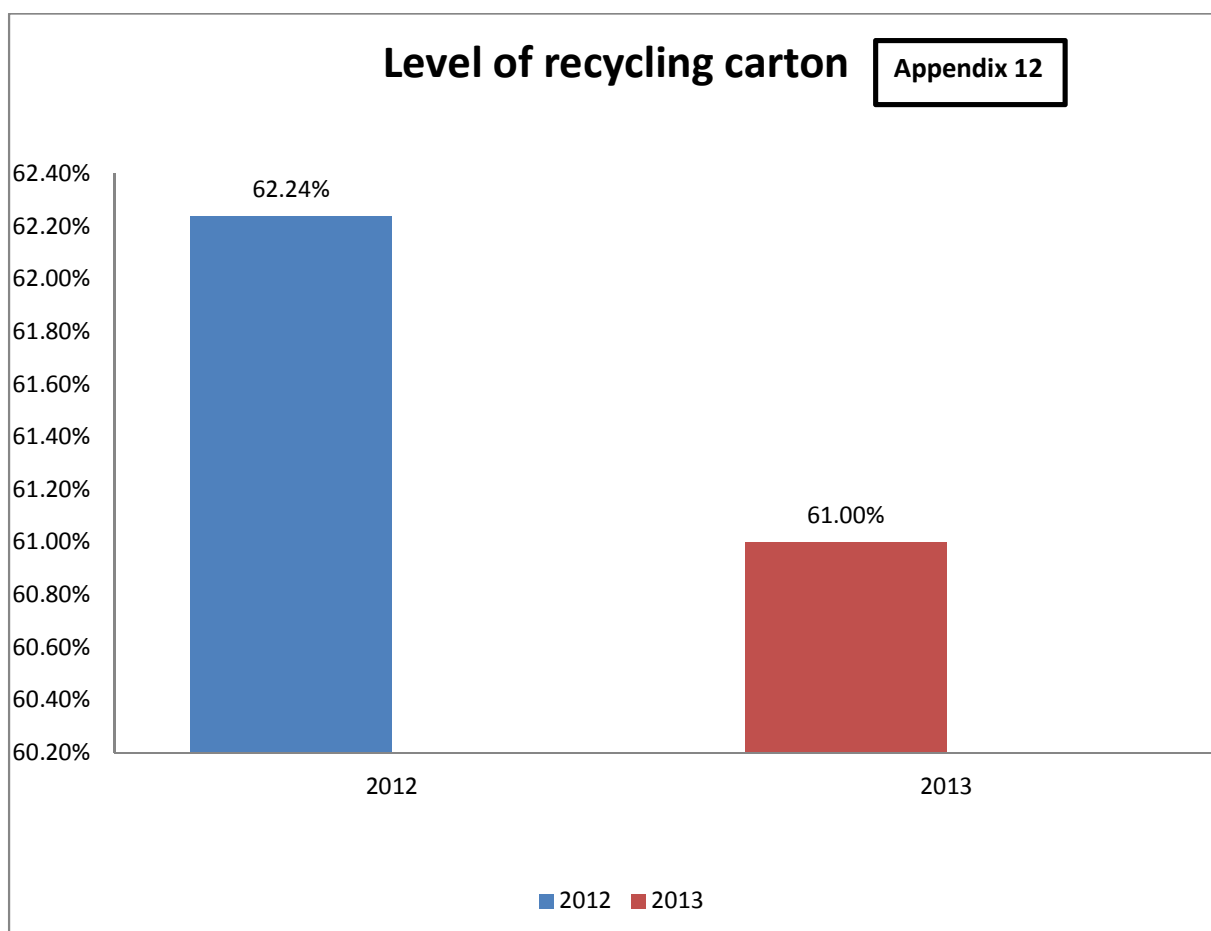
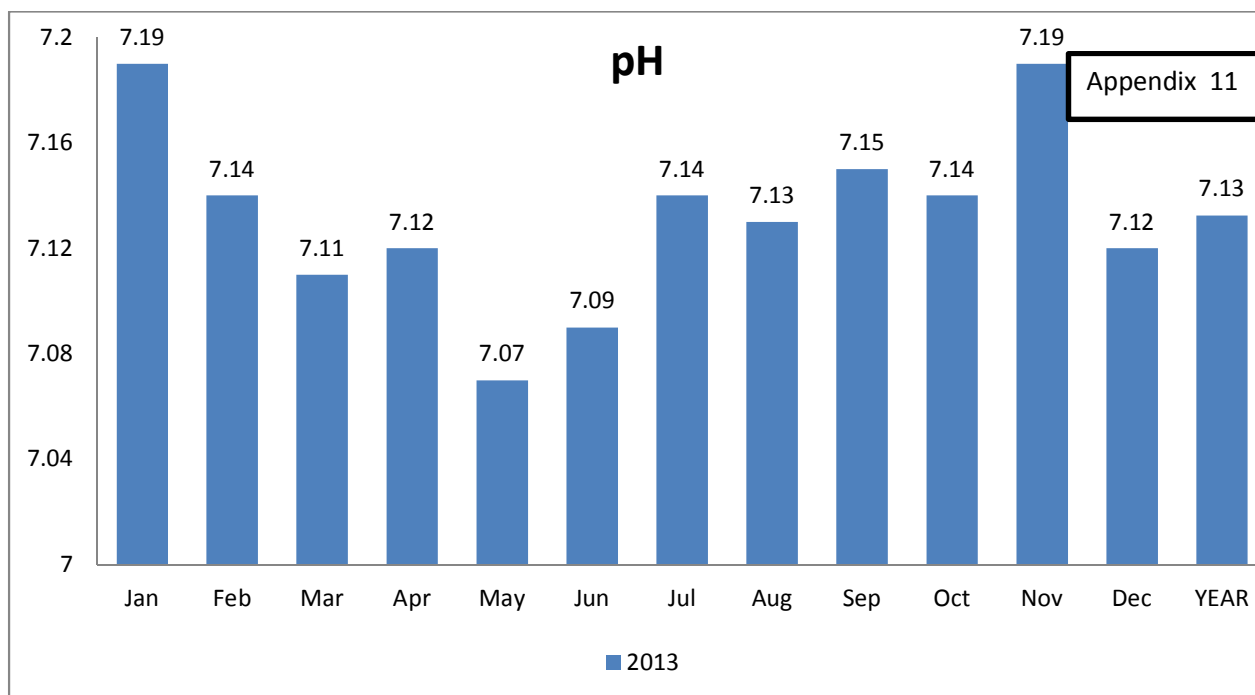
Table No. 4: Waste water pH max - environment rights indicators

<b>2012</b>													
	jan	feb	mar	apr	mai	jun	jul	aug	sep	oct	nov	dec	Year
<b>pH max</b>	6.5	6,5	6,5	6,5	6,5	6,5	6,5	6,5	6,5	6,5	6,5	6,5	6,5
	7.19	7,14	7,11	7,12	7,07	7,09	7,14	7,13	7,15	7,14	7,19	7,12	7,13
	8.5	8,5	8,5	8,5	8,5	8,5	8,5	8,5	8,5	8,5	8,5	8,5	8,5

		<b>2012</b>		<b>2013</b>
		<b>Average 2012</b>	<b>Average 2013</b>	
<b>MU</b>				
<b>Quantity introduced on domestic market</b>	t	0,48		0,58
<b>Quantity recycled</b>	t	0,3		0,36
<b>Quantity recycled</b>	%	62.24%		61%
<b>Minimum quantity accepted</b>	%	60%		60%

Table No. 5: Paper and cardboard- environment rights indicators





## Anti-corruption

Romradiatoare S.A. complies with national legislation against corruption and one of the company goals is to maintain its integrity.

The main policies and management systems that support anti-corruption rights are:

- *Code of conduct.* Every business contract issued by Romradiatoare S.A. has an appendix named code of conduct which binds the business partners (suppliers, contractors etc.) to respect the anti-corruption rights.

The most important practical activities undertaken to support anti-corruption rights are:

- *Providing trainings for employees.* Our employees behave honestly, are trustworthy and set a good example. Furthermore they use the resources of the company in the best interest of Romradiatoare S.A., and do not misuse these resources. Our employees do not pay or accept bribes. As employees, they make a clear distinction between the interests of our company and their private interests, and avoid possible conflicts of interest. They do not accept gifts, invitations or other benefits which could contradict this principle.

Table No. 6 shows that all the employees were trained on anti-corruption rights in 2012 and 2013. Our goal is to maintain this level of trainings on anti-corruption aspects.

Table No. 6: Anti-corruption rights indicators

ANTI – CORRUPTION RIGHTS	INDICATOR	2012	2013	2014 (target)
Employees trained on anti-corruption aspects	% from total employees	100%	100%	100%

