United Nations Global Compact

Communication on Progress 2014



Consultants for Responsible Business



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United Nations Global Compact

The 10 PRINCIPLES of the Global Compact

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 Assessment, Policy and Goals.

LABOUR STANDARDS

Principle 3. Businesses should uphold 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 labor.

Principle 5. Businesses should uphold the effective abolition of child labor.

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 diffusion of environmentally friendly technologies Assessment, Policy and Goals.

ANTI-CORRUPTION

Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

We fully support and promote these principles!





Message from the General Manager

It's been a year since our last commitment to the Ten Principles of the United Nations Global Compact and now The CSR Agency reaffirms its support. We have made it our responsibility to make a significant contribution on Human Rights, Labor Standards, Environment and Anti-Corruption principles.

We accomplish this by conducting intensive projects with the goal of developing responsible business practices in Romania. Our biggest challenge for the next year is to create a Global Compact network in Romania. We have already made first contacts and steps and hope to have soon official members.

With that project developing we commit ourselves to implement the principles and objectives of the UN Global Compact in our business strategies and day-to-day operations on a long-term basis and to report on our progress.

I am proud that The CSR Agency is providing a stimulus for sustainability in Romania, which takes account of business, economic, ecological and social aspects and I assure you that we will continue to pursue the sustainable direction in the future. We have already set ourselves ambitious goals for the near future.

We are also committed to share this information with all our stakeholders using our primary channels of communication.

Yours sincerely,

Dragos Tuta

General Manager The CSR Agency, Romania, COP for 2014



Sustainability and Corporate Responsibility

[Training] + [Strategy] + [Reporting] + [Assurance]

About The CSR Agency

The CSR Agency is a management consultancy from Romania specialized in Corporate Social Responsibility and Sustainability. We are advising organizations of all sizes about CR and Sustainability, helping them to understand and embed it into their operations.

We will always find the balance between the short-term advantages and the longer-term value of putting sustainability at the heart of other organizations. Our training and mentorship services range from short introductory briefings and workshops dedicated to professionals up to providing a strategic vision and an integrated action plan for companies who desire to act responsible.

The CSR Agency provides a comprehensive service, a sort of one stop shop for CSR and sustainability. We do everything from training to assessment, to reporting (ISO, GRI) all the way up to stakeholder engagement (employee, supply chain etc.) and strategic planning.

We have also created and currently managing CSR Think Tank, which is the largest community of CSR representatives in Romania, trying to advocate sustainability across the Romanian business sector.



Compliance with the 10 UNGC Principles

HUMAN RIGHTS PRINCIPLES

Human Rights acts like a statement in our company.

The CSR Agency recognizes local, national and international laws, directives and standards and fully complies with them. Through all our actions we are conducting our policies according to the Universal Declaration of Human Rights. Our internal Code of Conduct develops these principles.

We conduct our business activities with honesty, integrity and respect for human rights and the interests of our employees and all those with whom we have relationships within our sphere of influence.

Assessment, policy and goals

The CSR Agency respects the Universal Declaration of Human Rights and promotes it through an internal regulation document, named Code of Conduct. This document is available for all our employees.

By being CSR consultants we have strong ethical principles embedded in all our activities and projects that we develop. We advise all our clients to integrate them into their business strategies. Suppliers and contractors must fulfil the human rights standards to qualify for cooperation.

It is very important for us to develop sustainable business practices and that is the main reason why we put the basis to a local network of Global Compact in Romania.

For the upcoming year we will keep our ethic formula concerning Human Rights requests and we will develop a Global Compact local network which will help Romanian organizations and companies to be more aware of Human Rights principles.



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Implementation

Any new employee of The CSR Agency has written in his contract about obligations concerning the respect of human rights. That policy is also available for anyone who is interested in at our office. Likewise, all our partners and clients are informed about our policies through the contracts we sign.

Every year our employees are trained about our policies and regulations, which include also human rights aspects. For their conduct we encourage integrity and honesty.

We are also very enthusiastic about our plan to create a Global Compact local network in Romania. Now we are in the process of finding members and register them officially.

Each human rights violation can be communicated to our HR Director, through email, by any of our employees or partners.

Measurement of outcomes

Up to this moment The CSR Agency did not encountered complaints about Human Rights violations. In any case all our internal evidences about Human Rights are yearly reviewed by the HR Director and delivered as a report to our top management team.

LABOR STANDARDS

Assessment, Policy and Goals

The CSR Agency respects the dignity of the individual and the right of employees to freedom of association. We also ensure direct and open communication between employees and management.

The CSR Agency respects national and international laws concerning labor rights, especially the laws related to the freedom of association and collective bargaining.

The policies about Labor can be found in our Code of Conduct. In this official document are clearly written the rights and responsibilities of the employees, along the compensations and benefits in terms of labor. We also maintain good labor rights with our customers and partners.



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We have signed with each employee an individual Labor Agreement that specifies labor rights and obligations. According to Romanian Labor Code, the normal length of the work time for the full-time employees is 8 hours per day and 40 hours per week. For overtime work, the written consent for employees is required.

The Romanian Labor Code describes that a person could work at the age of 16. A legal contract can be required at the age of 15 from his/her parents or legal representatives for activities that correspond with his/her physical development, skills and knowledge with the condition that his/her health, development and vocational training are not affected. The CSR Agency does not have employees less than 18 years. We do not tolerate child labor in our supply chain either, where we take action against known cases of violations.

All these documents and the Code of Conduct are available to our employees, implemented and respected by all of them. Our customers and partners are aware about our policies and we do not work with companies that do not respect labor rights.

For the next year, we will respect the same principles and try to improve our policies according to the new labor practices. The CSR Agency takes all necessary measures to prevent risks for health and safety, and makes efforts to improve work conditions. We are committed to safe and healthy working conditions for all employees.

Implementation

We undertake to show respect, honesty and fairness to one another. We shall do this regardless of ethnic background, religion, sexual orientation, age, gender, family status, pregnancy, illness or disability.

The Human Resources manager is in charge of monitoring the labor rights, developing the content of regulations and creating awareness. Each employee can complain about violations of labor rights through multiple channels and the HR manager, together with the General Manager, decide how to resolve the problems.

The CSR Agency requires constant feedback from the employees because it helps us to understand how our people feel about working here and how we might improve.

Each employee has the right to negotiate his/her salary and the freedom to join any trade union or association.

The CSR Agency offers yearly training about policies and regulations that includes the labor rights policies, providing basic legal concepts related to discrimination at work. This training



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is prepared by the Department of Human Resources from our organization and is based on annual internal surveys.

We are aware that our employees are ambassadors and our public face, while on business and out of hours and we do our best to make things right and pleasant.

We do not apply any type of discrimination based on gender, age, race, or religion and we encourage equal opportunities between employees. Compulsory work in our agency is strictly forbidden and according to the contract our employees are paid for their holydays.

Measurement of outcomes

Until now, no incidents related to labor rights occurred. The CSR Agency has positive feedback about the employment contracts and 100% compliance about work conditions.

We apply internal audits frequently and we try to improve our labor practices every year.

ENVIRONMENT

Assessment, policy and goals

Under the internal sustainability management, The CSR Agency uses gently the environment resources. Sustainable development is about meeting the needs of society today without compromising the ability of future generations to survive and prosper. We aim to grow our business in a sustainable and environmentally responsible way through focusing on reducing our carbon footprint.

We are permanently connected to the latest news, studies, conferences and information that develop our knowledge and business. We give special attention to environmental issues and sustainable solutions, especially because, as business consultants, we often encounter situations where our expertise is required for fixing problems.

The CSR Agency also reduces waste and energy through a green office program. We collect and recycle and our Green Office platform enabled us to reduce our energy consumption and use of office materials over the years, as well as raising awareness of our employees about green practices.



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For the upcoming year we want to improve our results in collecting and recycling, be more eco-friendly and educate as many people as possible to protect and do not abuse by the environmental resources.

Implementation

The CSR Agency is collecting and recycling garbage as an official partner to an organization which provides a program for separate waste collection in offices. Ecollect Romania (<u>http://www.ecollect.ro/</u>) provided us special bins and recycling bags, and they come at our office to pick up every time we had collected a minimum of four bags. We collaborate with them for seven months and we have collected 76.5 kg of paper and 25 kg of plastic.

We also managed to reduce our toner buys. Also, by using refilled toners and giving used toners to companies authorized for recycling, we managed to eliminate toner waste. Over the years we also managed to reduce paper waste by printing both sides and just in case of need.

We turn off the light when we don't need it and switch off the energy source from our desktops and laptops when we leave the desks for lunch or at the end of work program. Moreover, The CSR Agency encourages all employees to use the bicycle instead of personal car during summer-time.

In our daily activity we do what we can to encourage our customers and partners to always think more environmental friendly and to avoid all unnecessary use of energy and other non-renewable materials.

Measurement of outcomes

Our Code of Conduct encourages employees to be eco-friendly at the office and no reports have been filed from this point of view.

We don't have a measurement of energy wasted or reduced but we can find differences in our administrative costs. They dropped with 10% in the last year and we are very proud by that fact that we saved money and especially because we save environmental resources.



ANTI-CORRUPTION

Assessment, policy and goals

The CSR Agency supports the conduct of business in a corruption free environment where all companies have an equal opportunity to compete for business.

We support United Nation Global Compact principles on anti-corruption and we strongly work against corruption in all its forms including extortion and bribery. It is in our company policy that bribery must not be offered, accepted or demanded at any time by any whom.

According to Romanian laws, The CSR Agency does not directly or indirectly offer, give or receive any gift, payment or personal benefit in exchange for business or financial gain. All employees are required to report any questionable conduct to the management.

We do not have any procedures to monitor our employees, but we have mail boxes where that kind of action can be reported. Our Code of Conduct has a chapter dedicated to anticorruption and there is written that all the employees have to respect the demand.

Implementation

Our Code of Conduct includes our policies on anti-corruption and our HR Manger is responding to incidents.

We have an anonymous box system where anyone can write about violations of the Code of Conduct or anti-corruption facts that will be analyzed with the General Manger. If an incident appears in terms of corruption, the Human Resources and the General Manger, together with the top management team take the needed actions, specified in above mentioned Code.

The CSR Agency does not make contributions to political parties and politicians, neither financially or in kind.

Measurement of outcomes

The CSR Agency offices have an anonymous boxes system that encourage employees, clients and partners to report back if they suspect any wrongful doing in regards to corruption.



The CSR Agency has never been involved in bribery or corruption incidents of any kind, and we are confident that we comply with the Romanian legislation in this respect. We perform internal audits during which we control the correspondence between our policies and procedures and the actual implementations.

Since the anonymous boxes system has been implemented no incidents have been reported and until now, our company did not face any incidents of corruption issues in the last two years.





How will we publicize the 10 Principles?

The 10 Principles will be available to employees, suppliers, shareholders, stakeholders, mass-media, as well as to the public opinion that we have access to. This announces will be made through all the formal channels that we have, including our website (<u>www.thecsragency.ro</u>), our social-media pages and by a press-release.

Additionally, we have been and will continue to be very careful about mentioning the UNGC principles through the dialogue that we will have with our partners of other third parties.

For additional information please contact:

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