

Annual report for 2014 for Global Compact

Etisoft Sp. z o.o. has been a participant of the Global Compact initiative since December 2010.

PRINCIPLES OF CONDUCT APPLICABLE AT ETISOFT SP. Z O.O.[LTD.]

These principles of conduct apply at all the organizational units and non-resident branches of Etisoft Company.

GENERAL REQUIREMENTS

All the organizational units of the Company, non-resident branches, suppliers and their subcontractors are obliged to act under these principles of conduct. In cases that suppliers outsource the supplies of products, materials, equipment, services, etc., for Etisoft Sp. z o.o., the supplier shall be responsible for ensuring that such subcontractor observes the requirements determined herein.

SPECIFIC REQUIREMENTS

Child labor

Etisoft does not accept any form of employing children below the age of 16. In justified cases concerning employing minors between 16 and 18 years of age, the employer is obliged to provide working conditions, working hours and remuneration adapted to the minors' age and pursuant to the applicable laws.

Forced labor

No form of labor provided against the employee's free will or conscious choice is tolerated at the Company.

Health and safety

All the employees of the Company should be provided with a safe and healthy labor environment. The employer should also take all the reasonable measures aimed at the elimination of the reasons for negative working conditions.

Discrimination of employees

Etisoft treats all the employees equally, disregarding any cultural, religious differences, political views, trade union membership, sexual orientation, age, sex, disability. Any decisions on employment, remuneration, professional promotion, training courses, etc. are made basing on the skills and qualifications held by an employee only.

Workplace harassment and abuse

No employee of Etisoft may be discriminated or harassed, the result whereof being the violation of the employee's dignity, humiliating or degrading them. Such behavior may include physical, sexual, psychological or verbal elements.

Working hours

Etisoft recognizes that the employer must not require from its employees work within hours exceeding the agreements contained in the "Working Rules".

Remuneration

Etisoft employees are entitled to remuneration for the work provided in the amount as defined in the employment agreement, however, the remuneration, including the extra components, must be equal or exceed the level of minimum remuneration as defined by the applicable laws.

Freedom of association and right to negotiate collective agreements

All the employees are entitled to free establishment and joining any organizations representing their interests as employees. No employee may be intimidated or harassed due to exercising its right to association. The employer must also observe the employees' right to negotiate any collective agreement.

Compliance with environment protection requirements

The rules of conduct of Etisoft in the scope of the Company environmental impact have been defined in the „Integrated Management System Policy" at Etisoft Sp. z o.o."

Monitoring and conformity

The obligation to monitor the conformity of the company functioning with the principles of conduct implemented and the necessity to inform the employees on the measures taken up and their results lies within the responsibilities of the Company management.

ETISOFT Human Capital

- Knowledge, competences, experience and motivating employees for the organization's development.
- Motivation for improvement and development of processes, products and services, including the abilities of employees related to leadership, management and cooperation.
- High safety culture.

Our aims in the scope of human capital management:

- Guarantee of and development of all the employees, for the effective accomplishment of the business strategy.
- Permanent improvement of awareness and commitment level of managerial staff, employees and subcontractors in the improvement of occupational safety.

Key measures:

- Responsible recruitment and adaptation to working environment.
- Improving the systems of employee training and development.
- Creating an involving workplace.
- Reliable assessment and appropriate motivation of employees.
- Observance of the ethical principles in business.
- Performance of occupational health and safety improvement projects.
- Engaging the managerial staff in dissemination of proper Occupational Health and Safety attitudes among the employees.

The recruitment measures taken in 2014 enabled the company to employ people with the qualifications required. Moreover, as part of sharing knowledge and best practices, concerning the staff selection process, the assessment of the candidates' competences and adaptation to workplace, internal training was implemented. The key development measures in 2014 focused on the performance of the training and development plan aimed at the acquisition and expansion of the substantial knowledge and improving qualifications by the employees at

their positions. This was carried out according to the training plans for each department, prepared with consideration to the development tasks and targets of employees agreed upon during their periodic assessment. Specialized training and costs of education at post-graduation studies of the employees are funded by the Company in 100%. We also fund in 100% foreign language learning as indicated in the specific working positions. We fully use the potential of our employees. We build the culture of knowledge sharing and we use the experience and expertise of employees committing them into the process of their coworkers' development. They are able to pass the valuable knowledge during training courses within the Induction Program, where they are the tutors of the new employees or trainers during the internal training.

The training plan was accomplished in 80%

The total number of trained employees - 263 people

In 2014 ca. PLN 247 thousand was spent on training

On co-funding university education costs: PLN 25 thousand

PLN 37 thousand was spent on courses in language schools

The total amount of funds spent on qualification improvement: PLN 309 thousand

The high results of the last periodic assessment of employees, which covered most of the staff, indicate the efficiency of the tools in the scope of recruitment, adaptation, training and development, and motivation of employees. All the employees holding a permanent employment agreement, with at least 6-month experience in a specific organizational unit are subject to the periodic assessment. At the time of assessment the person assessing them must also have a minimum half-year experience in a given job.

We carried out another Employee Opinion Survey in 2014

Each employee could express their opinion in 6 areas:

- ✓ What do I think of working for Etisoft
- ✓ The atmosphere
- ✓ My line manager supports me at work
- ✓ Working conditions and organization
- ✓ Development opportunities
- ✓ Communication

The respondents had to choose one of five answers for each question.

In 2014 the employees assessed the following areas as the best:

Working conditions and organization and ***My Line Manager Support me at Work***, while the best results through the entire survey were obtained in the section ***I intend to work for the Company through the coming year.*** (like the previous year).

This year we have recorded improvement in 12 points, while no improvement in relation to the previous year has been recorded in 7 areas.

In the area „**What do you think about the Company**” the questions concerning *Remuneration* gained the lowest assessment (identical result to that of the previous year) while the question concerning *Continuation of career with the Company through the following year* gained the highest results (we recorded a minimum growth in comparison to the previous year).

In the area **Atmosphere** the point *The teams support each other* gained the lowest results (in spite of 2 point growth in relation to the previous year), while the point *There is a good atmosphere in my team* (growth by 1 point versus 2013) was the best.

In the area **My line manager supports me at work** the point related to *The standards and targets expected with the employee* was assessed as the best, while the point *I receive feedback on my work* - as the worst (a minimum growth, by 1 point, as compared to the previous year)

In the area **Development Opportunity** the point related to the *Conversation Assessing Work Result* was assessed as the best (the level of the last year has been maintained) while “*I have an Individual Development Plan*” as the poorest.

In the area of **Communication**, the point *I know the Targets and Plans of the Company* was assessed as the best (in spite of the 2-point drop versus 2013) while the question on communication messages in appropriate advance – as the poorest .

The survey results show minimum growth/drop by +/- 1-2 points – which indicates that the company is stabilizing after a significant change.

The remuneration system at ETISOFT provides adequate pay for the position held and scope of responsibilities. We try to offer our employees attractive rates of their basic salary, the market median becomes an important indicator, considering the specific nature of our labor market and internal business conditions.

ETISOFT guarantees an attractive working environment and an opportunity of professional development as well as a rich social package to all the employees, whatever their sex and age is. The employees, whether employed for definite or indefinite time, full or part time, benefit from a package of the same additional benefits.

Maternity, paternity leaves, extra maternity leaves pursuant to the applicable laws are granted. The company offers social assistance in the form of allowances, co-funding of the children's holidays.

The Company enables the employees to buy membership cards in sports clubs, within the Benefit program, thanks to which they may use the sports facilities and activities for a less expensive price.

We also offer our employees the opportunity to benefit from pension funds. The fund is entirely paid for by the employer and joining it is voluntary and covers all the employees holding the employment agreement for at least one year. Pension savings within the third pillar is an essential element of responsible planning of personal financial future, therefore we try to secure the future of our employees.

We shall keep on taking up measures intended to provide skilled personnel, necessary for efficient business strategy performance and improving the organizational culture basing on the accepted values.

Customers

The measures taken up in order to win a Customer have been limited to very large corporations, multi-branch, with international reach of business. The Etisoft customer circle has been joined by: WHIRLPOOL, COMPAL Electronics Europe, BSH Europe.

Building sales on the foundation of loyal customers included winning new factories of DELPHI and ROCKWOOL corporations.

In 2014 we started a large project in co-operation with CITIZEN – production and sales on the European market of supplies recommended for CITIZEN printers. The project included designed specification sheets and catalog issued with the particular product groups. A web platform for the CITIZEN distributors was prepared. The continuation of the actions and sales start-up are planned for 2015.

The major Public Relation actions in 2014 included the Conference *On-time deliveries* for the largest Ccustomers of Etisoft carried out in Zakopane on the 26th -28th September. At the same time and in the same location the meeting of the main Polish and overseas distributors – Etisoft branches took place. The conference included presentation of topics related to order performance and production planning, both in theory and in practice as well as that of state-of-the-art solutions offered by Etisoft for industry.

PERFORMANCE OF ENVIRONMENTAL MEASURES FOR 2014

1. WASTE MANAGEMENT AT ETISOFT SP. Z O.O.:

- Quantities of hazardous and non-hazardous waste produced:

No	TYPE OF WASTE	2013		2014	
		QUANTITY (Mg)	Net AMOUNT payable	QUANTITY (Mg)	Net AMOUNT payable
1.	Hazardous waste	9,995	PLN 8 855.30	8,8178	PLN 7 659.50
2.	Non-hazardous waste	3,019	PLN 2 327.20	2,890	PLN 2 200.00
3.	Non-hazardous waste (technological waste)	423,300	PLN 76 194.00	449,550	PLN 80 919.00
4.	Non-hazardous waste (collected free of charge)	8,961	-----	8,786	-----
TOTAL:		445,275	PLN 87 376.50	470,0438	PLN 90 778.50
5.	Non-hazardous waste (the segregation of which we are paid for)	38,911	PLN 11 766.59	41,193	PLN 12 252.12
TOTAL QUANTITY OF WASTE COLLECTED:		484,1860 Mg		511,2368 Mg	

90

The costs of neutralization of waste code 15 01 10* from PLN 1200.00 /Mg to PLN 700.00 /Mg have been reduced. The new price has been applicable since September 2014.

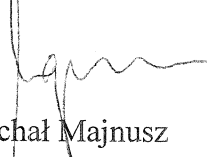
- The quantities of municipal waste produced:

2013		2014	
QUANTITY (m³)	Net AMOUNT payable	QUANTITY (Mg)	Net AMOUNT payable
482,50 of which [locations]: Szara 21 – 357,50 Sowińskiego 11 – 125,00	PLN 15 020.00	465,00 of which [locations]: Szara 21 – 305,00 Sowińskiego 11 – 160,00	PLN 15 810.00

I am pleased to confirm that Etisoft supports the ten principles Global Compact with respect to human right, labour, environment and anticorruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day to day operation of our company, and to engaging in collaborative project which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Etisoft will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Yours Sincerely,



Mr Michał Majnusz
President