

Communication on progress

Organization: Gradalogistic Group



Country: Republic of Moldova

Sector: Transport and logistics

Reported period: from June till December 2015



Structure of the report:

- 1. Statement by the General Director of the head company**
- 2. About the Group of companies**
- 3. Human Rights**
- 4. Labor**
- 5. Environment**
- 6. Anticorruption**



General Director's Statement



Our focus on the social corporate responsibility of business is translated through the implementation of the 10 principles of the Global Compact Initiative by "Gradalogistic Group" SRL and its subsidiary companies and results in a systematic planning of activities and a large number of actions aiming to improve ourselves in our day-to-day activities.

"Gradalogistic Group" SRL considers the principles of sustainable development as a strategic way mark in its long-term business strategies, in operating activities, in improving business processes, in increasing profits, in risk management and cost optimization.

We believe that GRADALOGISTIC's sustained success is possible only on the basis of corporate responsibility, and we are sure that the sustainable development of our society is possible when the majority of the members of the society learn to make responsible far-sighted decisions.

In June 2015 at the conference of directors of our group of companies we emphasized once again the imperative need to have the activities carried out in the frame of the 10 principles of the Global Compact as an integral part of the whole system of organization and management in our group of companies.

We are convinced that the events we plan and we implement in the framework of the Global Compact Initiative went deep into our values, policies and processes.

Sincerely,

General Director of **Gradalogistic Group SRL**
Veaceslav Damaschin



About the Group of our companies

The specialists of the Group of companies GRADALOGISTIC offer railway freight forwarding services, containers forwarding services, road cargo transportation services and customs brokering services. We provide freight forwarding services in Moldova, Belarus and Ukraine and expand the geography of transportation.



We constantly develop our services and faithfully fulfil our obligations.

GRADALOGISTIC actively participates in the creation of sustainable economic growth and in the improvement of the corporate social responsibility.

It is a difficult way, and we all still have to overcome a lot of obstacles in order to comply with the highest standards of responsible business.

For the fourth consecutive year our subsidiary company GRADALOGISTIC from Chisinau (Moldova) has been successfully audited and confirmed the high level of its quality management system according to ISO 9001:2008 Quality Management Standard.



This successful experience of our subsidiary company activities in the framework of Standard of quality management system, its best practices in designing and managing processes Gradalogistic shares and successfully implements in other subsidiary companies.



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.

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure they are not complicit in human rights abuses.

Our key objectives - to conduct business honestly and efficiently, to observe the legislation and international standards, to contribute to the sustainable development of society, to respect human rights and the interests of future generations.

The internal corporate documents in GRADALOGISTIC in the field of human rights are being developed to meet the requirements of international law and the legislations of the countries where the companies of our Group of companies operate.

GRADALOGISTIC protects the rights of each its employee.

- The Contract Recruitment System, adopted in all companies of the Group of companies, applies to all employees hired.
- GRADALOGISTIC creates respectable and professional working conditions for its employees.
- GRADALOGISTIC creates all conditions for the maintenance of high professional and qualification level of its employees.





- GRADALOGISTIC pays much attention to training of employees both in hiring and in the future in the workplace.

- Every year GRADALOGISTIC plans the staff training on training sessions, workshops and webinars for specialty and other subjects for solving work tasks.



- Since September 2015 the corporate English lessons are held for the employees of GRADALOGISTIC in the Chisinau office, where the specialists improve their level of language.
- Special Program for adaptability is developed in GRADALOGISTIC for new employees and employees who are on probation. Newcomers are trained for all processes and workflow approved in the Group of companies. This period of adaptability and training helps employees easily to integrate into the work process and to solve corporate issues.

Two years ago our Group of companies adopted The Code of Ethics of GRADALOGISTIC which is the part of the adaptive period. The Code of Ethics helps our staff to be aware of their role in the implementation of GRADALOGISTIC mission.



GRADALOGISTIC, inspired by sponsorship and charity in previous years, continues to do good and participate in the sponsorship and charity programs and events.

In December 2015 our subsidiary company from Chisinau (Moldova) purchased:

- the electric stove for the Baby house in Chisinau;
- the basin mixers for Orphanage for 208 disabled kids in the town of Orhei, Moldova, to facilitate the use of sanitary appliances.

Through the Municipal Board for the Protection of Child's Rights the company has provided the financial assistance to ten low-income families.



Through the organization "Salvati Viata" (Save the life) the company has transferred the funds for operations for 3 seriously ill children:

- Sofronie Hangan, 6 years old, diagnosis - congenital strabismus;
- Mathei Chebotari, 3 years old, diagnosis - Wilms' tumor of the right kidney;
- Valentin Portean, 15 years old, diagnosis - Duchenne progressive muscular dystrophy.



In September 2015 our subsidiary company from Minsk (Belarus) provided charitable assistance to Molchadsk boarding school (Brest region), where 125 children, aged 6 to 16 years, are educated. These children are from families at social risk. Hygiene and



cleaning detergents were charitably transferred to the school in the village of Molchadsk through the Charity Movement "For their smiles".

On December 25, 2015 in the frame of a charity event to help children from orphanages the employees transferred private funds for the operation "Santa Claus on a motorcycle". Personal thanksgiving certificate was issued for the company.



The employees from Gradalogistic Odessa, Ukraine participated in charity event - the action for congratulating children from boarding schools with the New Year holidays, which was organized by the charitable foundation "Good Samaritan".

The "Wish trees" with photos of children and their desire have been delivered to many regions of Ukraine. One such "Wish tree" was delivered to GRADALOGISTIC in the Odessa office. Employees of the company have taken into account the desire of every child. The corresponding photograph of the child with his Christmas desire was glued for each box with a gift. Personalized gifts have found their recipients.

Anyone can become a good magician!



We stimulate our employees to be a part of GRADALOGISTIC great team.

The celebration of each company's birthday and New Year Day have been organized for employees. To mark these dates the corporate events with greeting and cultural programs were held in each company in our Group of companies.



family members got to know colleagues of their spouses.

In August 2015, our subsidiary company from Moldova organized "Family Day" for its employees and for members of their families, where they could feel involvement to our brand. That event helped to get to know the family of employees, and

We are proud of our brand and our Group of the companies!



Labor Principles

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

Principle 4: the elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour; and

Principle 6: eliminate discrimination in respect of employment and occupation.

GRADALOGISTIC doesn't accept discrimination based on ethnicity, race, nationality, religious beliefs , gender, age , as well as the grounds of disability, sexual orientation and other grounds.

When we make decisions on hiring, promotion, performance evaluation, revision of the level of compensation we make no differentiation factors that do not relate to performance of professional activities of the employee and his competencies.

Statistics show that the number of working women in our Group of companies is in the range of 50 % of the total number of employees.

The share of women in senior management positions is still above 40%.

GRADALOGISTIC never had cases of forced labor.

GRADALOGISTIC excludes the use of child labor and the employment of persons under the age of 18 years.

The operating workweek conditions established under the labor laws and not exceed 40 hours per week.

The average salary corresponds to the country level with all payments to the official release and payment of sick leave under law.

GRADALOGISTIC analyses the detected nonconformities and reclamations in order to determine and take actions to eliminate the detected nonconformities and reclamations.



Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

The highest priority for Gradalogistic is environmental protection. Wherever we implement our commercial activity we undertake responsibility for compliance with all applicable environmental regulations and laws.

- Our subsidiary company from Odessa, Ukraine joined the social project "Green City" - the company will participate in the purchase and planting of trees in accordance with the approved plan.



- Our subsidiary company from Chisinau, Moldova, has concluded a convention with a public association "Parcurile Viitorului" (Parks of the Future) and has joined the program "Adopt a Park". The company has pledged to keep clean a part of the city park "Calea Orheiului".



- On October 17, 2015 the employees of the head company "Gradalogistic Group" S.R.L. together with the employees of our subsidiary company in Chisinau took part in a volunteer cleaning of the city park "Valea Trandafirilor", organized under the name "My clean park".



Our Group of companies GRADALOGISTIC uses only the products and services that have a reduced environmental impact throughout their life cycle, from the extraction of raw material through to production, use and disposal.

- The office paper we use has such signs as the EU Ecolabel, PEFC, FSC. These signs mean for us environmental excellence which can be trusted and responsible use of forests.
- To reduce the use of paper we extensively continue to use in our work the waste paper and paper drafts.
- The part of waste paper and paper drafts are passed for recycling, as our colleagues from the Minsk office do.
- In September 2015 the lecture about rational use of paper was organized for employees in the Odessa office.



Anti-corruption Principles

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

The Group of companies GRADALOGISTIC is opposed to involvement in illegal activities.

The structure and operation of GRADALOGISTIC is transparent.

GRADALOGISTIC responsibly selects suppliers and consumers. The search for potential partners is based on market research of companies with the public image which declared their commitment to the principles of corporate management and social responsibility.

The relationship of the company with shareholders is built on the principles of direct constructive dialogue in accordance with applicable law and generally accepted business practices.

GRADALOGISTIC assures the transparency of its operations and ensures the reliability of the information disclosed in its reports for the shareholders of the company.

