

*UNITED NATIONS
GLOBAL COMPACT*

COMMUNICATION ON PROGRESS

2015- 2016





February 11th 2016

Statement of Continued Support

I am pleased to communicate that HITRAN reaffirms its commitment and support to the 10 principles of Global Compact.

In our second annual report, we list and explain the actions that support the 10 principles of Global Compact which are present in our tasks.

Being part of a culture that cares and looks after the environment and society leaves a great satisfaction in the heart since we know we are doing good things.

It is easy to be concern about the environment and society, the challenge for companies is to do something about it.

We are committed to sharing our Communication on Progress with our stakeholders through the official website of HITRAN Corp. and direct media.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tripp Hindle', is written over a light blue grid background.

Tripp Hindle
President

HITRAN Corporation
908-782-5225 X246

Our approach to the 10 principles

At HITRAN we support the United Nations Global Compact 10 principles and on our second report we present the activities performed from February 2015 to February 2016.

Our activities are based on the principles of human rights, labor standards, environment and anti-corruption.



HUMAN RIGHTS PRINCIPLES

Principle 1:

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

Principle 2:

Make sure that they are not complicit in human rights abuses.

Assessment, Policy and Goals

At HITRAN we believe that respecting human rights should be an essential part of social responsibility, not only because it is the right way to proceed from an ethical point of view but because protecting human rights positively reverts in business and society. That is why we support the Universal Declaration of Human Rights.

Implementation

At HITRAN we have taken the following actions in order to comply with human rights principles:

- **Promote sports**

HITRAN sponsored soccer uniforms and soccer balls for the team.

The parking lot free space was used to delimit space for a soccer field.

With team work we built the soccer goalposts and got the soccer field running.

- **Promote healthcare**

Human Resources invited all HITRAN employees and staff to participate in the “Healthcare Week”, this event consisted on groups of people going to a place where doctors and nurses were performing general health checkups as well as complementary studies such as lipid profile, complete blood count, blood chemistry, eye examination, blood pressure, thyroid function, hormonal profile, mammography, dental check, etc.

All the participants chose which study they needed or wanted to do and they got the results delivered to the company very soon.

Why is it important to promote sports in the workplace?

One of the many concerns of a company is the health of their workers.

Many companies implement programs promoting physical exercise or sports to have an impact on maintaining and improving the health of their workers.

Benefits of having employees who play sports:

- Improvement in health and quality of life.
- Improvement in performance and productivity.
- Improvement in relationships of human groups.
- Increase in the worker satisfaction.



Studies show that there is a positive relationship between physical exercise and work performance.

Promoting good healthcare in the workplace decreases absenteeism of workers and minimizes productivity loss.

LABOR STANDARDS 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 labor;

Principle 5:

The effective abolition of child labor; and

Principle 6:

The elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

At HITRAN we support the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Implementation

At HITRAN we have taken the following actions in order to comply with labor standards principles:

- Human Resources applies a survey to all new employees. The survey is 30 days after they are hired and they are asked about the introduction process and their experience in the first 30 days of work in HITRAN.

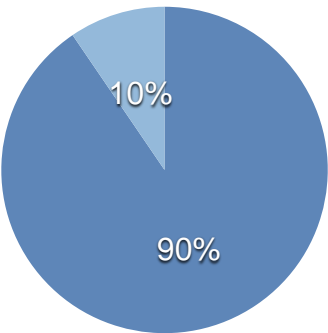
The survey covers the following topics and/or issues:

- HITRAN customers
- The company
- Products HITRAN manufactures
- The job
- Salary and benefits
- How do they feel with their job
- Communication with the trainer or supervisor
- Cafeteria service
- Labor environment
- What the company expects from them

Surveys of new employees from February 2015 to February 2016 showed the following results:

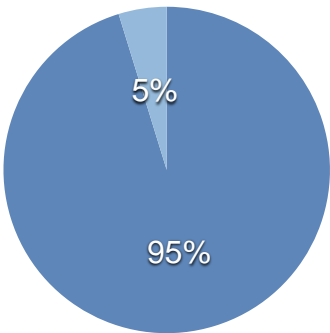
Introduction Process

■ Understand ■ Don't understand



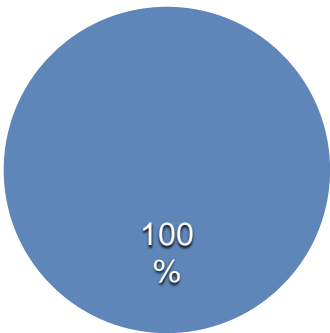
The Company

■ Knows the company
■ Doesn't know the company



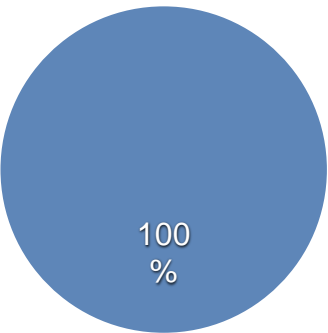
The Product

■ Knows the product



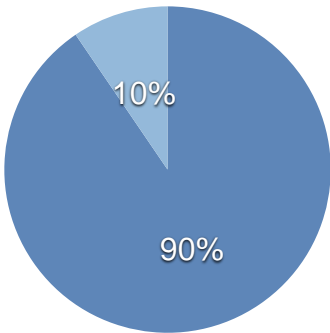
Salary and Benefits

■ Understand



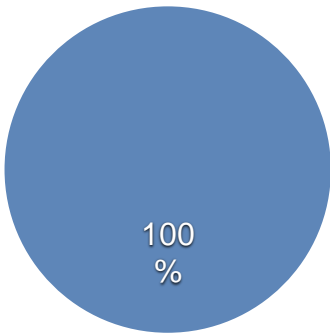
Understanding the Job

■ Understand ■ Don't understand



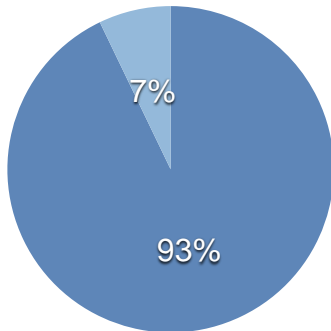
Rules and Disciplines

■ Understand



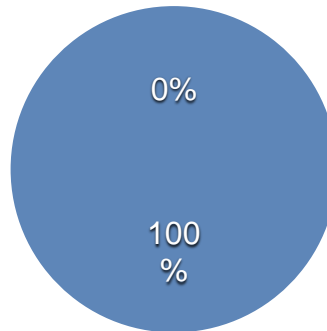
Communication with supervisor/trainer

■ Ongoing reviews ■ Didn't review



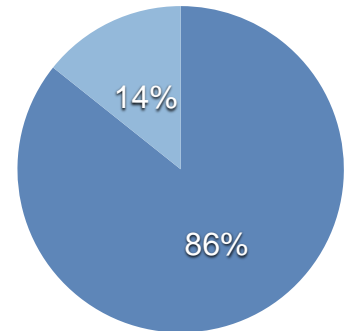
The job satisfies you

■ Satisfied ■ Unsatisfied



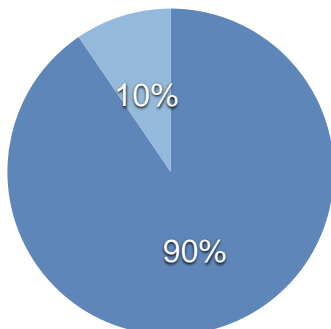
Cafeteria: Good/Regular

■ Good ■ Regular



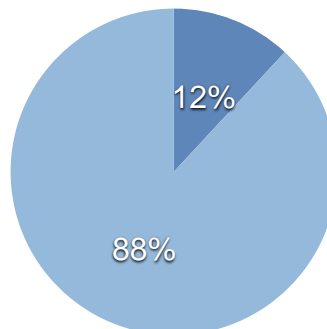
Work environment

■ Good ■ Bad



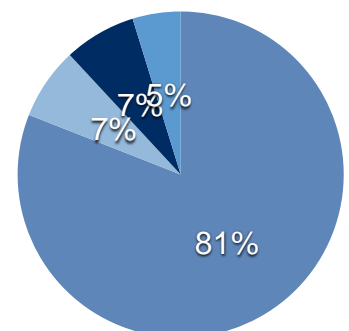
Need help to improve

■ Yes ■ No



The company expects from me

■ Good Performance ■ Quality
■ Discipline ■ Productivity



Why is it important to apply this survey to our employees?

Through this survey we can detect if there are areas of opportunity and improvement at various levels, whether the information is not clear to employees, the work environment is not good, services and facilities do not meet the needs of employees, there are communication failures, etc.



ENVIRONMENT 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.

Assessment, Policy and Goals

At HITRAN we care for the environment and we look for ways to support sustainable development. It is a responsibility to all of us because both small and large actions are impacting the environment. If we can do something about it, we have to take immediate action and contribute in any way we can.

Implementation

At HITRAN we have taken the following actions in order to comply with environment principles:

- **Recycling bins for paper and cardboard**

Last year recycling campaign left us a very good lesson on all the paper and cardboard we throw away and can easily be placed in a recycling bin to make a difference. This year we placed bins for paper and cardboard and we posted information about the benefits of recycling these materials. Changing habits of throwing it all away can be difficult, but we are committed to making a difference with such a simple action as separating materials that we throw to the garbage.

- **Assume costs of contamination generated by HITRAN activities**

We posted information on the cost of the disposal of drums with varnish residues and disposal of various chemicals, this in order to report that we don't throw away the drums with varnish residues and the other chemicals but we take responsibility and pay for the proper disposal in order to avoid contamination.

The World Commission on Environment and Development, established by the United Nations in 1983, defined sustainable development as: “Development that meets the needs of the present without compromising the ability to have future generations to meet their own needs”..

Top 5 reasons that show why it is important to recycle

1. - We save energy and fight climate change

If we recycle we reduce the work of extraction, transportation and processing of new materials, leading to a significant decrease in the use of energy needed to perform these processes. We generate less CO2 and reduce the greenhouse effect.

2. - We use less raw material

If we recycle glass, paper or plastic there is no need to make use of many new raw materials to manufacture products.

3. - We manufacture new products

By recycling, new products are created. There are daily objects that are born from recycling. These products require less water and energy and generate less pollution during its production process.



4. - We create jobs

The process of recycling needs businesses and workers who collect different materials and classified them. The more we recycle, the more jobs are created.

5. - We preserve the environment

If we recycle, the industry pollutes less air and decreases the amount of greenhouse gas emissions; we protect our soils because the waste goes to the proper place and does not accumulate in the waters of our rivers and seas. If we use organic waste for composting our gardens or crops, we avoid chemicals fertilizers.

ANTI-CORRUPTION PRINCIPLES

Principle 10:

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

Assessment, Policy and Goals

At Hitran we believe that honesty is essential and our goal is to have a company free of corruption in any form.

Implementation

At HITRAN we have taken the following actions in order to comply with anti-corruption principles:

- **Code of ethics conference**

We invited all employees and staff to a conference about the Code of Ethics. This conference covered the following topics:

Ethics

- Introduction to values
- Duty and being professional
- Main issues when being professional
- The moral problem and the moral within the individual
- Properties of the human act

Discrimination/Vulnerable groups

- Human Rights
- Equality
- Discrimination
- Vulnerable Groups

The goal of this conference was for the participants to discuss the nature of the moral problem. They reflected on the nature and characteristics of the moral values, also they analyzed their personal situation with regard to the values put into practice daily.

Importance of Ethics in the Workplace

Values and ethics are important in the workplace to help keep order, ensuring that a company runs smoothly and remains profitable.



- *Ethical conduct on the part of all employees also helps maintain quality and productivity.*
- *Ethical conduct assists the organization to comply with laws and regulations. What is ethical is also legal.*
- *Ethical conduct ensures good and proper relationships with customers and suppliers.*
- *Ethical conduct boosts morale and promotes teamwork. When employees can trust one another and management, they can work together more harmoniously and effectively.*

**The above information comes from BLR's presentation "Business Ethics: What Employees Need to Know"*

Future Implementations

**“The best way to predict
your future is to create it”**

Abraham Lincoln

**HITRAN is committed to continue to report annually to
the United Nations Global Compact.**

**Our next Communication on Progress will cover
February 2016 to February 2017**

About this Report

This document serves as HITRAN second Communication on Progress (COP) to the United Nations Global Compact (UNGC).

HITRAN supports Global Compact since March 2014.

This COP presents the actions and implementations that were conducted in compliance with the 10 principles of the United Nations Global Compact during February 2015 to February 2016.

Any questions regarding this report please contact Mariela Carrera via e-mail at mariela.carrera@hitrancorp.com



Harry HITRAN Greet's You!

About HITRAN

At HITRAN, we have a long history of delivering custom magnetic transformers and inductors to clients worldwide.

We take pride in devising solutions to your most complex requirements, and with a team of talented engineers and strict testing standards, you get exactly what you need – every time.

February 16, 2016

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