

## **Annual report for 2015 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 2015 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 held. The key development measures in 2015 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 50%

The total number of trained employees - 128 people

In 2015 ca. PLN 201 thousand was spent on training

On co-funding university education costs: PLN 19,6 thousand

PLN 35,7 thousand was spent on courses in language schools

The total amount of funds spent on qualification improvement: PLN 256,8 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 2015.

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 2015 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*** and ***My working time is being respected*** (like the previous year).

This year we have recorded improvement in 21 points, while no improvement and decrease in relation to the previous year has been recorded in 3 areas respectively.

In the area „**What do you think about the Company**” the questions concerning *Remuneration* gained the lowest assessment (a result better by 5 points comparing to the previous year) while the question concerning *Continuation of career with the Company through the following year* gained the highest results (we recorded a growth by 2 points in comparison to the previous year).

In the area **Atmosphere** the point *The teams support each other* gained the lowest results (2 point decrease year by year), while the point *There is a good atmosphere in my team (despite decrease by 1 point versus 2014)* 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 growth by 3 points, 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 (growth by 3 points versus 2014) 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 (2-point growth versus 2014 ) while the question on being informed by the management on changes and important company's affairs – as the poorest .

The survey results show steady growth in certain areas – which indicates that the company is stabilizing and slowly improving its processes. We have recorded one major drop – by 6 points – in the area *"I have an Individual Development Plan"*.

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 gender 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 results of Customer Satisfaction Survey held in 2015 indicate insignificantly decreased customer satisfaction index ( 5.04), though still remaining at a high level. This decrease was recorded in all areas of the company's activity compared to 2014. The lowest - rated areas of the company in 2015 were Marketing and Research & Development departments. Such evaluation stems from the fact that customers do not receive sufficient marketing information on new products, new technologies and production potential. Customers are also interested in participating in thematic seminars about products that may be of interest to them, as well as getting samples of such products. Also, similarly as last year, there is a whole group of customers who want to buy cheap and expect production savings and cheaper materials from their suppliers, such as Etisoft.

## PERFORMANCE OF ENVIRONMENTAL MEASURES FOR 2015

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

#### ▪ Quantities of hazardous and non-hazardous waste produced:

No	TYPE OF WASTE	2014		2015	
		QUANTITY (Mg)	Net AMOUNT payable	QUANTITY (Mg)	Net AMOUNT payable
1.	Hazardous waste	8,8178	PLN 7 659,50	9,2249	PLN 7 319,92
2.	Non-hazardous waste	2,8900	PLN 2 200,00	3,7760	PLN 2 904,80
3.	Non-hazardous waste (technological waste)	449,5500	PLN 80 919,00	516,0200	PLN 92 883,60
4.	Non-hazardous waste (collected free of charge)	8,7860	-----	6,3419	-----
<b>TOTAL:</b>		<b>470,0438</b>	<b>PLN 90 778,50</b>	<b>535,3628</b>	<b>PLN 103 108,32</b>

5.	Non-hazardous waste (the segregation of which we paid for)	41,1930	PLN 12 252,12	40,1350	PLN 12 027,50
<b>TOTAL QUANTITY OF WASTE COLLECTED:</b>		<b>511,2368 Mg</b>		<b>575,4978 Mg</b>	

The costs of neutralization of municipal waste has been increased since 01.08.2015 by 100%. The new price is as follows:

	OLD PRICE (net)	NEW PRICE (net)
• Neutralization of 5m <sup>3</sup> container	185,00	200,00
• Neutralization of 2,5m <sup>3</sup> container	92,50	100,00

▪ **The quantities of municipal waste produced:**

2014		2015	
QUANTITY (m <sup>3</sup> )	Net AMOUNT payable	QUANTITY (Mg)	Net AMOUNT payable
<b>465,00</b> of which [locations]: Szara 21 – 305,00 Sowińskiego 11 – 160,00	PLN 15 810,00	<b>507,50</b> of which [locations]: Szara 21 – 370,00 Sowińskiego 11 – 137,50	PLN 19 505,00