

**Keko Varicon
Communication on Progress (COP)
2016**

General

Period covered by the COP: November 2015 – November 2016

The report includes a statement of continued support of the Ten principles of the United Nations Global Compact.

It includes description of actions / relevant policies related to Human Rights, Labour, Environmental and Anti-corruption Principles.

Statement of Continued Support

Date: November 14, 2016

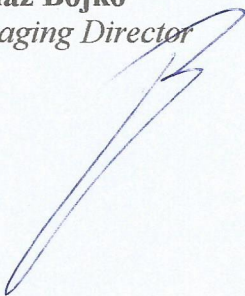
To our stakeholders:

I am pleased to confirm that Keko Varicon reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Tomaž Bojko
Managing Director



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Human Rights Principles

Assessment, policy and goals

Keko Varicon is committed to supporting and respecting the protection of internationally proclaimed human rights in all fields of its actions.

Implementation

Our company has a written policy on respecting human rights and preventing potential abuses. All employees are informed about the policy on human rights and how to give a complaint if they feel their human rights are not respected. The responsible person, HR Manager, has been appointed to deal with human rights issues inside the company.

Measurement of outcomes

Measurement of outcomes is assessed by HR Department. There have been no human rights related complaints in the period covered by this COP.

Labour Principles

Assessment, policy and goals

Our company upholds the freedom of association and commits to complying with national legislation on labour rights which automatically eliminates all forms of forced and compulsory labour as well as abolition of child labour.

Implementation

Labour rights are introduced to every new employee. Employees have the right to join the trade union that already exists inside the company. Health and safety of all employees is top priority therefore certain programmes have been implemented this year.

Measurement of outcomes

Company sponsored free time activities were arranged in 2016, including pre-summer holiday party for the employees.

Referring to the health promotion, we have continued with a 'fruit day' activities when free of charge fruit is delivered to the employees once a month.

Environmental Principles

Assessment, policy and goals

The importance of environmental protection is very important for Keko Varicon and is taken into account on daily basis. All employees are committed to the reduction of waste materials and consumption of electrical energy and water resources.

Implementation

Keko Varicon acquired ISO 14001 certificate. Waste materials are collected separately and recycled as much as possible. We continue developing new technologies that are environmentally friendly thus decreasing our environmental footprint. A responsible person for environmental policy is appointed.

Measurement of outcomes

We measure outcomes continuously by both, internal and external measurements according to related legislation. Our aim is to improve our environmental performance continuously.

Anti-Corruption Principles

Assessment, policy and goals

Company's policy regarding corruption and bribery is zero-tolerance. This policy is enforced inside the company as well as in countries of company's operation.

Implementation

Anti-corruption policies are enforced through cooperation agreements that include anti-corruption clauses. When signing work contracts, employees commit to respecting anti-corruption policies.

Measurement of outcomes

Anti-corruption principles have high priority on the agenda of business meetings. Any attempts related to corruption would be announced to company's management and discussed during regular management meetings.