



INTRACOM
TELECOM

COMMUNICATION ON PROGRESS

FOR THE UN GLOBAL COMPACT

DECEMBER 2016







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President's Statement

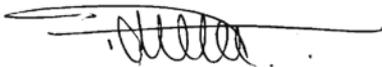
In Intracom Telecom, we conduct our business by safeguarding pollution prevention, providing excellent workplace conditions for our employees and serving the communities in which we operate. We are fully aligned with the United Nations Global Compact's ten principles and participate in CSR Hellas and Global Compact Network Hellas' activities.

In 2016:

- » We continued the technological advancement of our products and solutions serving and powering the Smart, connected City necessities.
- » We extended and improved further our integrated management system (quality management, environmental management, occupational health and safety, social accountability and information security management).
- » We endorsed the European Pact for Youth and we participated in the task force, led by CSR Hellas, in order to coordinate the efforts to create 2,000 good quality traineeships in Greece, to reduce the skills gaps and create a new framework for the traineeships.
- » We established the Code of Business Ethics, applicable to the whole Intracom Telecom Group.

One of our major objectives for 2017 is to leverage our ICT expertise to support the education of young people and their scientific research by building more partnerships with Universities.

Mohamed Ahmed



President of the Board & Managing Director (CEO)
Intracom Telecom



Our Group



19
countries with
local presence



63%
international
activities



28%
personnel
abroad

Intracom Telecom is a global telecommunication systems and solutions vendor operating for nearly 40 years in the market. The company was derived from Intracom, a company that began operating in 1977 in Athens, Greece, manufacturing and assembling telecommunication equipment to address domestic needs. In 2005, Intracom was transformed into a holding company and the telecommunications business unit became a company under the name Intracom Telecom.

During its nearly four decades of history, the company has successfully participated in major ICT projects worldwide and has received awards and distinctions for its technologies and work environment. Today, the Intracom Telecom Group employs approx. 1,800 highly-skilled professionals and operates own R&D and production facilities.

Intracom Telecom has extensive know-how and a proven track record in the telecommunications market, serving more than 100 renowned customers in over 70 countries. The company develops and provides products, solutions and professional services primarily for fixed and mobile telecom operators, public authorities and large public and private enterprises.

Intracom Telecom innovates in the areas of small-cell backhaul, wireless transmission and broadband wireless access and has successfully deployed its industry leading point-to-point and point-to-multipoint packet radio systems worldwide. Moreover, the company offers a competitive portfolio of revenue-generating telco software solutions and a complete range of ICT services, focusing on big data analytics, converged networking and cloud computing for operators and private, public and government clouds. Its portfolio also includes renewable & energy management solutions, and cloud-based e-health services.



Intracom Telecom delivers successful telecommunication solutions to partners and clients worldwide. The company's portfolio reaches over 70 countries throughout the world, with a focus on Southeast Europe, Africa and Middle East. Internationally, Intracom Telecom operates and maintains subsidiaries and offices in Albania, Armenia, Bosnia and Herzegovina, Bulgaria, Cyprus, the Former Yugoslav Republic of Macedonia (FYROM), India, Italy, Moldova, Morocco, Romania, Russia, Saudi Arabia, Serbia, South Africa, Syria, the United Arab Emirates, and the USA.

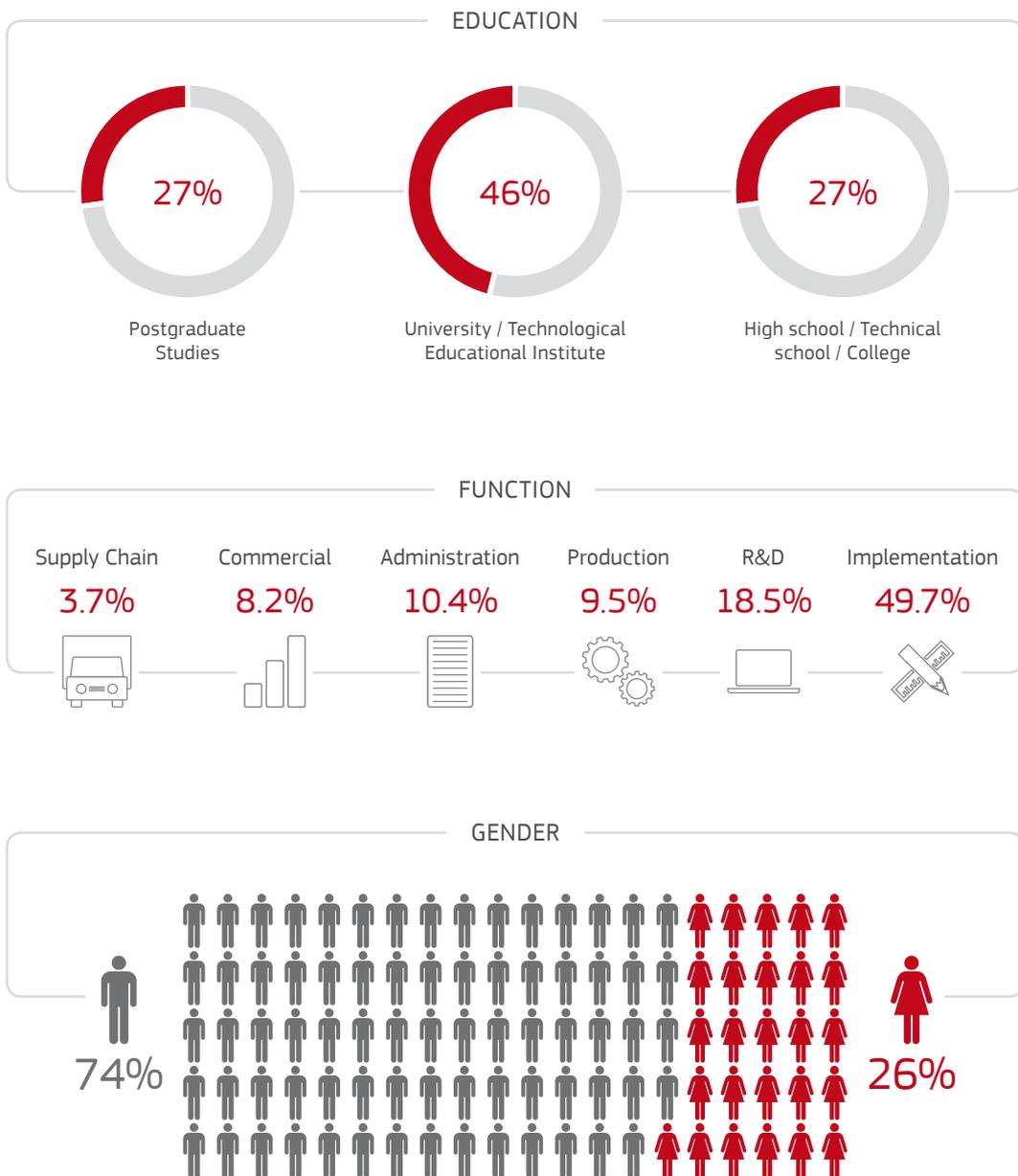


Our People

Human Capital

Intracom Telecom recognizes that human capital is the key to success in today's business environment. The Group's highly specialized and experienced employees are pivotal to achieving demanding objectives and advancing the capabilities of the Group to better serve its customers. Intracom Telecom offers a fast-paced, success-oriented and rewarding working environment fuelled by the talent and skills of its people who are among the best in the industry.

Employee Distribution



Our Social Responsibility

(Headquarters)



Intracom Telecom is strongly committed to the values of Corporate Social Responsibility (CSR) and contributes to CSR principles through its policies. The company is a member of the Hellenic Network for Corporate Social Responsibility, actively supporting the growth and advancement of CSR in Greece.



It is also a member of the Global Compact Network Hellas, a United Nations strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.



HUMAN RIGHTS

Intracom Telecom fully considers and respects the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work and the relevant national and European legislation.



LABOUR RIGHTS

Intracom Telecom abides by local legislation as well as endorses the ILO's Declaration on Fundamental Principles and Rights at Work.



ENVIRONMENT

Intracom Telecom supports the UNGC principles on environment and has been monitoring the environmental impact of its activities since its establishment.



ANTI-CORRUPTION

Intracom Telecom recognizes and values integrity, excellence, innovation and customer satisfaction, and is committed to the highest standard of ethical behaviour in all its actions and decisions.



Human Rights

» Health & Safety (OHSAS 18001:2007) standard

Intracom Telecom implements its Occupational Health and Safety Management System according to the OHSAS 18001:2007 standard. This standard ensures that all Health & Safety regulations are strictly followed in the workplace. It enables the company to identify and control Occupational Health and Safety risks, to prepare Emergency Response plans, and to improve overall performance.

» Social Accountability (SA 8000:2008) standard

Intracom Telecom is also certified with the SA 8000:2008 (Social Accountability) standard. This standard ensures the existence of an excellent and safe working environment. For both standards, the company undergoes an audit twice a year by external auditors (Bureau Veritas SA) and is recertified every three years.

» Corporate procedures

Written corporate procedures, system manuals and directives are compliant with United Nations Global Compact (UNGC) principles and requirements of OHSAS 18001 and SA8000 standards. The respective documents are published in the corporate portal and are available to all employees and interested parties on line. Also, new employees are informed about human rights corporate procedures and policies through induction seminars during their first working days.

» Access to knowledge

The company offers reused personal computers to schools and non-profit organizations in Greece enabling them to upgrade their IT infrastructure and facilitate access to knowledge for their stakeholders. Since 2007, the company has donated more than 500 PCs.

» **Open door policy**

An open-door policy has been established where employees can report grievances to upper management and to the Human Resources Director. No grievance has been filed for this year.

» **Voluntary blood donation**

Twice a year, the company organises a voluntary blood donation in its premises, in cooperation with General Hospital of Athens "G. Gennimatas", giving employees the opportunity to offer blood and save other people's lives. In 2016, 142 blood units were collected (16% more than the respective number in 2015).

» **Donation of medicines**

In 2016, employees along with the company's medical office donated 4 cartons of medicines and medical supplies to Athens Medical Association in order to be given to patients without social security coverage.

» **Support to social groups in need**

Since 2005, Intracom Telecom has focused its financial support on non-profit organizations which provide protection and care to social groups in need, especially children. Until today, the company has spent in total over 200,000 euros on charities. During 2016, the company continued the long-term collaboration with the non-profit child welfare organization "Smile of the Child"

» **Participation in "European Pact for Youth" initiative**

Intracom Telecom is committed to support European Pact 4 Youth which was launched by CSR Europe and the European Commission in November 2015 with the vision to create a fair and equitable culture of partnership between business, education and youth in Europe, to prepare young people for quality jobs and responsible citizenship. Intracom Telecom participates in the task force, led by CSR Hellas, which coordinates the efforts to create 2,000 good quality traineeships, reduce the skills gaps and create a new framework for the traineeships in Greece. Following this endorsement, Intracom Telecom undertook several actions in 2016:

- **Intracom Telecom Awards to young graduates**

The company has awarded four monetary prizes, of 2,000 euros each, to graduates of Computer Engineering & Informatics Department and Electrical & Computer Engineering Department of the University of Patras, who submitted outstanding theses in the areas of Microelectronics and Networking Software. The awards ceremony took place in the Conference & Cultural Center of the University of Patras. The awards were decided by

and hosted charity bazaars in its premises in Greece. Moreover, the company continues the collection of bottle caps on behalf of the Association of Paraplegic and Handicapped of Pellas Prefecture in order to exchange them with wheel chairs for the Association's members.

» **Suppliers' audits**

Intracom Telecom performs semi-annual audits to suppliers regarding, among other issues, human rights and labour rights. Furthermore, in its General Purchasing Conditions, the company requests from its suppliers to uphold a code of conduct aligned with the principles of United Nations Global Compact on human rights, labour, environment and anti-corruption principles.

» **Participation in scientific research**

The company is involved in national and European research projects whose main aim is the technological advancement along with the creation of high quality and high level value-added jobs in Europe in new business areas. In January 2016, Intracom Telecom became the coordinator of symbloTe, a new research project funded by the European Union, which brings together experts from fourteen academic/research institutes, SMEs and industrial organizations from eight different countries. The project aims to make a significant step towards the horizontal integration and federation of IoT domains, as well as the introduction of innovative business models for stakeholders in the IoT value chain; particularly for SMEs and new entrants in the market.

two committees comprised of University professors and Intracom Telecom executives.

- **S/W Development workshops at Universities**

In order to bridge the gap between University students' theoretical background and technical skills needed in the labour market, the company collaborated with the Electrical Engineering Students' European Association (EESec LC Athens) and organised two workshops on Java Enterprise edition and Modern C++ which were attended by 70 University students. The feedback was excellent and highlighted the need for such initiatives.

- **Sharing knowledge with young scientists**

The company continues to offer to university graduates the opportunity to participate in research projects as part of their thesis and fulfill their industrial placement in the company's departments, sharing the latest developments in cutting-edge technology. In 2016, 30 students completed their industrial placement at the company's premises.



Labour Rights

» Social Accountability (SA 8000:2008) standard

The company has been one of the first Greek companies to be certified by SA 8000 standard. This standard ensures the existence of an excellent and safe working environment in which non-discriminatory policies are applied, equal opportunities are offered to all employees irrespective of gender, age, nationality and religion, employee trade union rights are respected, and health and safety procedures are faithfully adhered to.

» Human Resources Management System

The company has also established an Integrated Human Resources Management System which includes the following sub-systems: recruitment & succession

planning, career development, performance appraisal, rewards management and training and development. The Integrated Human Resources Management System aligns with the corporate principles of equal opportunities and meritocracy by which employees are paid equally for the same job, irrespective of sex, race, physical ability etc. The employees are rewarded according to their performance and their contribution to the achievement of company's goals. Employees' promotions are done once a year as part of the annual performance appraisal procedure. Hiring is based on meritocracy and criteria like academic qualifications and skills and it is done through written exams during an assessment center, organized regularly.

» **Lifelong learning**

Intracom Telecom's philosophy focuses on the lifelong learning of its employees and the attraction of highly qualified employees in Greece and abroad. Within this framework, the company provides its employees with continuous training (in-house and external), determined by the challenges they have to face regarding their job. In 2016, 2,310 training hours were invested on 192 employees.

» **Employee benefits**

The company supports the well-being of its employees by providing the following fringe benefits:

- Free medical insurance plan
- Free transportation on corporate buses through central routes
- One-month paid vacation for parents
- Free parking on company premises

» **Freedom of association**

The company practices freedom of association and recognizes the right to collective bargaining. The Employees' Union was established in 1984 and has been active ever since. Around 70% of employees are members of the Union.

» **Open-door policy**

The "open-door" policy, according to which employees can raise issues to upper management any time, facilitates transparency and direct communication among all the hierarchy levels. Employees are appreciative of the harmonious working environment, a proof of which is the fact that no serious employees' grievances have been filed with the HR Director during the last year.

» **Corporate portal**

Employees are continuously updated through the corporate portal, bulletin boards, e-mail, staff meetings and publications.





Environment

» Environmental Management System (ISO 14001:2004)

Intracom Telecom is committed to conducting its business in an environmentally sound and sustainable manner and takes precautionary measures to protect the environment and minimize any negative environmental impacts that may result from its daily operations. The company defines and documents identification and evaluation methods of all environmental aspects of its operations and their associated impacts. Evaluation is performed against predefined criteria including legislative and other regulatory requirements. Emergency Response Plans are designed to secure prevention and mitigation of the associated environmental impacts. The company has established an Environmental Management System (EMS) which is certified in accordance with the international standard ISO 14001:2004 and is integrated with the ISO 9001:2008 (Quality), OHSAS

18001:2007 (Health and Safety) and SA 8000:2008 (Social Accountability) based Management Systems. The company is subject to assessments by an independent certification body for its compliance with the abovementioned standards. The company seeks continual improvement by setting specific environmental objectives based on identified environmental impacts and by monitoring and documenting the achievement of these objectives. Intracom Telecom recognizes that environmental responsibility is crucial to its long-term success. Developing, manufacturing and marketing products that are not energy demanding and that can be reused, recycled or disposed of safely along with using environment-friendly manufacturing methods and enhancing employee awareness and training, contribute to its aim towards sustainable development.

» **Waste management**

Intracom Telecom's waste is collected by authorized companies. Indicatively, waste includes used electrical and electronic equipment (e.g. PCs of no further use, rejected finished or semi-finished products, etc.), building installation lighting, non-usable cables, metals (e.g. iron, aluminum, etc.), timber (e.g. pallets, wooden reels, etc.), packaging waste, (e.g. cardboard, plastic bags, etc.), printed material, lead batteries (e.g. from uninterruptible power supply units-UPS), small batteries, etc. Depending on their physical and chemical properties, waste produced is collected by authorized companies and delivered to authorized facilities for provisional storage, sorting, recycling, treatment, recovery or disposal. In 2016, the tonnage of non-hazardous waste was 93 tones, while the tonnage of hazardous waste was less than 0.5 tones⁽¹⁾.

» **Greenhouse gas emissions**

Intracom Telecom calculates and monitors greenhouse gas emissions produced from the company's activities, using internationally approved calculation standards for greenhouse gas emissions such as "The Greenhouse Gas Protocol" etc. In 2016, the CO₂ emissions were 4,301 tones⁽¹⁾⁽²⁾. For the sixth consecutive year Intracom Telecom, participated to the Carbon Disclosure Project (CDP) initiative and reported on its carbon footprint.

» **Participation to collective alternative management systems**

Procedures for recycling and reusing materials are applied at all facilities. The company participates in the nationwide Collective Alternative Management System- "RECYCLING" (organized by "HE.R.R.CO") for the collection, sorting and recycling of used packaging materials and in the Collective System for the operation of Alternative Management of WEEE in Greece – "APPLIANCES RECYCLING S.A.", fully adhering to the EU directive on waste electrical and electronic equipment (recast WEEE directive - 2012/19/EU).

» **Restriction of the use of certain hazardous substances in electrical and electronic equipment**

Intracom Telecom has taken all necessary steps to ensure that its products comply with the EU directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (recast RoHS directive - 2011/65/EU).

» **Energy saving**

Intracom Telecom has undertaken a line of action that contributes to energy saving and the minimization of climate change impacts. Indicatively, the company performs preventive maintenance on equipment and electrical networks, regulates electrical parameters, operates building service equipment (e.g. air-conditioning units, lifts etc.) in an environment friendly manner, uses video-conference equipment, which reduces the number of business trips required, uses integrated information systems aiming to restrict the consumption of paper, hires coaches for the transportation of personnel from central points in the city to Intracom Telecom, etc.

» **Ecological design of products**

Intracom Telecom is paying close attention to the latest trend developments in the ICT field, and keeps its personnel informed and aware on the fundamentals and practices of ecological design. Indicatively, design fundamentals concern:

- the reduction of the use of material that is harmful to the environment and the promotion of the use of recycled materials where technically and economically feasible;
- the capability of repairing and upgrading of products in order to extend their lifespan;
- the capability of products to be fully or partially disassembled and reused aiming to facilitate the recycling process and reduce the volume of waste;
- the provision of instructions for the end-user regarding the management of equipment at the end of its lifecycle, etc.

» **Employees' environmental awareness**

Intracom Telecom aims to increase its employees' environmental awareness through induction activities, reviews and audits. Employees are informed about the company's environmental policy, and relevant activities and initiatives, such as the waste management processes implemented, during the induction seminar at the beginning of their employment. Notifications and reminders to the employees are circulated and published in the company's intranet.

(1) Data available as of October 31, 2016.

(2) From purchased diesel oil for heating combustion and purchased electricity.



Anti-corruption

» Code of Business Ethics

In 2016, Intracom Telecom launched its Code of Business Ethics, applied to all employees and managers in headquarters and subsidiaries. The Code defines Intracom Telecom's position on fundamental legal, ethical and social matters and the way it operates around the world. It establishes certain non-negotiable minimum standards of behaviour in key areas, which are to be observed when dealing with fellow employees, customers, suppliers, partners and shareholders, communities and governments. It was also communicated to suppliers and external consultants.

The Code covers topics like compliance with laws and regulations, dealing with conflict of interest, proprietary information, dealing with competition, bribery and anticorruption, political contributions, integrity, record keeping, company property, human rights and labor practices, health and safety, environment, leading by example, compliance and reporting mechanism for any violations of the code. The Code is complementary to existing company policies and procedures as well as the Employee Handbooks, or equivalent documents, issued by companies within Intracom Telecom Group.

» **Employee handbook**

The Employee Handbook (properly verified by the Greek Public authorities) illustrates the policies and employees' obligations. It underlines that employees are not allowed to accept payments, gifts, bribes offered for their employment services or obtain privileges or other benefits for themselves, or on their relatives' account. Employee Handbook is available to all employees through the corporate portal. Induction seminars regarding all corporate procedures, among which anti-corruption procedures, are organised for new employees at the beginning of their employment.

» **Disciplinary actions**

Disciplinary actions are enforced when an employee violates provisions of the Code of Business Ethics and/or the Employee Handbook. The disciplinary actions to employees are imposed by the Management of the Company. In 2016, no disciplinary actions were imposed on employees for corruption cases.

» **Complaint process**

All employees can raise a complaint, following a process which is described in the company's Employee Handbook and the Code of Business Ethics. It is the policy of the Company not to allow retaliation for reports made in good faith by employees for misconduct by others.

» **Internal audit**

Auditing mechanisms, audit committees (permanent and ad hoc) as well as internal control procedures are in place in order to assure that risks are minimized and all activities are carried out in accordance with the corporate policies. Managers or employees are encouraged to talk to the Internal Audit Director or Company's management about observed behaviour, which they believe may be a violation of the Code of Business Ethics or when in doubt about the best course of action in a particular situation.





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