

## **Communication on progress**

**Organization: Gradalogistic Group**



**Country: Republic of Moldova**

**Sector: Transport and logistics**

**Reported period:  
from January till December 2016**



**Structure of the report:**

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### **General Director's Statement**

"Gradalogistic Group" SRL is glad to express its continued support for the United Nations Global Compact initiative. Today we present you the seventh report on corporate social responsibility for 2016.

In the difficult conditions of macroeconomic instability the Group of companies Gradalogistic is committed to sustainable development and corporate social responsibility. In such circumstances a very high professionalism and confidence are required from our group of companies in order to maintain our operations and to carry out our obligations.

Today the strategic committees are established and are working at our companies. They are engaged in the elaboration of strategies assuring sustainable development. The implementation of 10 principles of corporate social responsibility is considered by companies as a strategic must.

Gradalogistic group of companies constantly improves its value offer, strengthening its position as a customer-oriented company. The using the latest technologies and techniques allows us fully meet requirements of the most demanding customers. We offer our clients the most effective solutions, following the international standards of transparency, fairness and responsibility business practices in our daily operations.

We pay great importance to the transparency of our activities and the continuous improvement of corporate management system, realizing the importance of such activities, not only for the success of our business, but also for further building trust of all stakeholders to Gradalogistic group of companies.



Using a wealth of experience, Gradalogistic companies are successfully developing both in Moldova and abroad and manage to achieve good results in their business activities.

Commitment and perseverance of Gradalogistic team allow us to continue to cope with emerging challenges, overcome difficulties and develop for the benefit of all our customers, shareholders and partners.

Sincerely,

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



## About the Group of our companies



Gradalogistic is a group of companies that operate in Moldova, Belarus and Ukraine. Each company of the Group of companies Gradalogistic is an associate member of the International Federation of Freight Forwarders Associations FIATA and a member of the National Association of

Freight Forwarders.

The specialists of the companies offer railway freight forwarding services, containers freight forwarding services, road cargo transportation services and customs brokering services. A variety of services and quality of service allow us to create new competitive advantages for businesses of our clients in solving logistical needs of any complexity.

We provide high quality services in accordance with international and national standards. Gradalogistic company in Moldova provides services in accordance with ISO 9001: 2008.

**The strategic goal** of the Group of companies Gradalogistic is the most complete identification of the unique needs of clients and providing of complex high-quality services that best meet the identified needs.



**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.

Our values give confidence that when working with customers in each country of our presence, we make decisions based on common principles of our company.

**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.

We continue to invest in the development of competencies and leadership skills of our entire team, paying close attention to the training of staff and further improving of our corporate culture.

Gradalogistic directs its efforts to create the most comfortable working environment for its employees and their professional development. Training and mentoring form the basis of Gradalogistic corporate policy for human resources management, helping our employees to build a successful career.



GRADALOGISTIC protects the rights of each its employee.



Staff development programs, aimed at the training of management and professional skills are being successfully implemented in enterprises of group of companies.

During the reporting period, more than **50%** of the employees of the Group of companies have been trained in the areas of:

- railway freight forwarding, road cargo transportation and container forwarding;
- audit, accounting and financial management;
- customs law;
- human resource management.

Responsible persons for safety have been trained in the area of health protection and work on external trainings.

Internal trainings in this area are organized on a regular basis for all employees of companies.

Gradalogistic follows **the strategy of equal opportunities**.

- The existing Contract Recruitment System for all employees, Special Program for Adaptability for new employees and employees who are on probation, Annual Planning of staff training programs, Annual Paid Leaves Planning is the best confirmation.





- In addition to annual leave employees have a right for parental leave, maternity leave, child-raising leave and other additional paid leaves conform established Internal Regulations .
- One employee with disabilities works in the office in Odessa (Ukraine).

The Code of Ethics of GRADALOGISTIC, which employees are trained every year, is the guidance for all Gradalogistic team members on common corporate standards. Knowing these standards it leads to a strengthening of corporate community, a feeling of belonging to a team, company, brand.

It has already become **our main principle and a good tradition** to participate in the sponsorship and charity programs and events.

- In February 2016 we provided material assistance to Elena Mocrii, diagnosis - acute leukemia.



- In December 2016 we provided financial assistance to veteran Vasilieva E., on the occasion of her 95th anniversary and New Year holidays.





- In April 2016 Gradalogistic (Minsk) provided material assistance to the treatment for Kosobutskiy Matvey, diagnosis - the brain stem glioma.
- In November 2016 our subsidiary company from Minsk (Belarus) provided charitable assistance to Belinichi public auxiliary boarding school (Mahilyow region), where 86 children, aged from 4 to 18 years, are taught.
- There are children with special needs in their psychological and physical development. Presents, hygiene and cleaning detergents were charitably transferred to the school in the town of Belinichi through the Charity Movement "For their smiles".



"Tree of Wishes" with notes and Christmas wishes of children from orphanages from Odessa region was placed during the month in Gradalogistic office in Odessa. In the framework of the all-Ukrainian campaign "Collect gift for orphan" employees of the company



collected the gifts for children deprived of parental care.

Along with the desired Christmas gifts children received the essential things and welcome sweets.

The participation of the team Gradalogistic Odessa (Ukraine) in the Christmas campaign organized by the charitable foundation "The Good Samaritan", the participation of the team Gradalogistic Minsk (Belarus) in the Charity Movement "For their smiles", the material and financial assistance from the team Gradalogistic Chisinau (Moldova) to the needy people from year to year inspire us for the new noble deeds.



## 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 increased to **50%.**
- 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.



We understand the importance of **ensuring high quality of life** of employees.





We have equipped the office Break room and the Catering room in Chisinau office, fulfilling commitments for improving conditions for employees.



Gradalogistic prevents pollution of the environment at the workplace by tobacco smoke. Smoking is prohibited in all areas of office buildings. In accordance with the principles of corporate policy smoking is prohibited at a distance of less than 10 meters from the entrance to the building.

## **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.





As a member of public association "Parcurile Viitorului" (Parks of the Future) under the program "Adopt a Park" "Gradalogistic Group" S.R.L. together with the employees of subsidiary company in Chisinau have participated in the park cleaning in March and September 2016.

In September 2016 Gradalogistic from Minsk (Belorus) has participated in the environmental campaign "Day without cars" which was held in the framework of the "European Mobility Week". In that day the employees of the company who have left their cars in car parks, could take public transport for free.

## **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.

The Code of Ethics of GRADALOGISTIC includes not only the basic values that are the foundation of Gradalogistic, but also the principles of anti-corruption.

