

# 2016 United Nation Global Compact

## COMMUNICATION ON PROGRESS



## **How SIVECO Romania applies the 10 principles of United Nations**

### **SIVECO Romania – Letter from the President & CEO**

## **HUMAN RIGHTS**

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

### **PRINCIPLE 2**

Businesses should make sure that they are not complicit in human rights abuses.

## **LABOUR STANDARDS**

### **PRINCIPLE 3**

Businesses must uphold the freedom of association and the effective recognition of the right to collective bargaining.

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Elimination of all forms of forced and compulsory labor.

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

**How we will spread this information**

# Letter from the President and CEO



**For over 24 years, we have been designing software that matters bringing progress to millions of people. We have an ambitious team and together we have consolidated in 2015 our position of regional leader in software integration. Now we aim at reaching the status of European leader.**

The foundation of SIVCO Romania strategy, validated by more than 1700 customers from 27 countries, is the compliance with the law and regulations. The driving factor of our Sustainability Strategy is the capacity to bring innovation in the society eliminating discrimination and reducing the digital divide through a responsible and transparent manner.

In 2015 we, SIVCO Romania, overcame a double challenge. On one hand, we had to adapt to a sharp decline in European Funds investments on the domestic market and to postponed projects in our international markets that are oil exporters. On the other hand, we had to reinforce our commitment for a responsible and ethical conduct by revising our fundamental document, the Code of Ethics.

We continued to expand our portfolio by launching new solutions such as Farm Management Solutions, and implementing complex projects addressing major societal needs. Six new Research & Innovation projects have been initiated in 2015, among which "Active life's extension for an independent and healthy ageing" (ProActive Ageing).

We have been providing software solutions (eBusiness, eLearning, eCustoms, eAgriculture or eHealth) that make a difference for our customers, organizations in all industrial and commercial sectors, both in the private and public areas. We love to use the latest technologies but more than this we recommend those that are best suited for them.

We are determined to continue to create value for all our stakeholders.

As SIVCO is recognized to be one of the software companies with the highest level of products and services quality, the Management System recertified in 2014 has been verified in 2015 and a stakeholder consultation process has been started. In this Sustainability Report for 2015, we are presenting our relevant material aspects that have been resulted from our first Materiality Analysis in conformity with the GRI-G4 guidelines. This Report is a milestone in our Sustainability Roadmap, providing the opportunity to communicate goals, achievements and our commitment to be a responsible and competitive company.

A handwritten signature in blue ink, which appears to read "Florin Ilia".

**Florin Ilia, President & CEO SIVCO Romania**

## PRINCIPLE 1

### Human Rights

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

#### OUR COMPANY POLICY

We comply with the national and international human rights laws. The values that we support are:

- care for customers, employees, partners and shareholders
- high-quality products and services
- responsibility to the communities in which we operate

We develop and implement internal procedures dedicated to employees, with concern to the protection of human rights, through compliance with the standards of quality, environment, health and safety at work, and information security. These procedures are periodically updated by the Quality Assurance and IT departments.

SIVECO is paying great attention for the quality of life of its employees and is promoting and implementing a flexible working program, health insurance program, measures for encouraging proper and healthy nutrition, but also attractive and fair benefits package that rewards their activities.

Employees are benefiting of spacious and bright offices, places of relaxation and dining, the latest equipment and technologies. SIVECO has in place an Occupational Health and Safety Management System according to OHSAS 18001:2007 standard – TUV Austria, and through the Management Program for Occupation, Health and Safety ensures the annual objective and the measure to achieve them each year.

For those who do not have a company car, SIVECO is providing transportation with company's Minibuses.

Minibuses are intended for use by all employees SIVECO Romania to be easier the transfer to and from company's headquarters situated in Victoria Park, from certain points chosen so as

to be within walking distance of the headquarters, but to be also in major hubs of the public transport in Bucharest.

The program for career development from SIVECO has four main components that are in close connection with each other.

- › **Skill Matrix Application** – managing each employee competencies structured in three section: basic information, training and professional experience.
- › **The Individual Career Development Plan** – revised every two years, based on employee consultation and interpretation of the Skill Matrix, containing in Key Performance Indicators (KPI).
- › **Training Plan** – is elaborated each year, based on the results obtained from the Skill Matrix, Individual Career Development Plan and the results from the assessment of professional competence.
- › **The evaluation process** - is a process that takes place annually and aims to improve employee performance, aligned with the company's business performance
- › **Team Building** – regularly programs to develop team spirit and competition, confidence, ability to communicate and improve morale.
- › To encourage employees to express any complaints arising, views, opinions and suggestions to improve their activities was created Speak-up boxes system. This system can be used also for reporting any violations of the Code of Ethics, Anticorruption Guide or any other non-compliance or infringement of the law and regulations.
- › Another way for communicating problems / suggestions for improvement is the internal Application JIRA.

#### **ACTIONS UNDERTAKEN IN 2016**

- ✓ We have constantly informed employees through internal communications about the company's activity, according to the internal communication procedure. In this regard we have sent periodically internal information.
- ✓ All employees have been trained and evaluated on labor protection measures and on how to apply them.
- ✓ The exhaustive process of stakeholder engagement conducted in 2016 conforming to GRI 4 Guidelines included 99 employees. They were asked to anonymously fill questionnaires providing their feedback regarding the level of importance of certain

aspects that from their perspective have influenced their decisions in a significant way and also had a major impact with respect to the company.

**This consultation process revealed that the TOP 10 important topics for our employees are:**

- Compliance with the law, regulations and with the various standards that relate to the organization's activity
  - Ability to create and launch new products, services and processes on the market
  - Internal and external training
  - Quality of the products and solutions
  - Transparency and proper presentation of the company's results and future prospects
  - Intellectual property rights
  - The organization's salary, bonuses and other compensation system
  - Data confidentiality protection
  - The organization's code of ethics
  - Measures in order to attract, maintain and develop the talents
- 
- ✓ In 2016 we have upgraded the Quality Management System procedures and Work Instructions, for the specific activities in SIVECO: 3 procedures and 98 work instructions.
  - ✓ In 2016 we have upgraded the Quality Management Handbook, Employee Handbook and the Anti-corruption Manual.
  - ✓ During 01-03 June 2016 we have implemented the supervision audit of the Quality Management System in accordance with the requirements of the standard ISO 9001:2008, audit conducted by the certification body AFNOR Groupe.
  - ✓ In January 2017 we have organized the festivity "Employee of the Year", during which we have reported the financial results of 2016, and awarded the best employees for their involvement in the projects undertaken by the company.

The Employee of the Year was Gabriel Lospa, Head of eAgriculture Department.

## PRINCIPLE 2

### HUMAN RIGHTS

**Businesses should make sure that they are not complicit in human rights abuses.**

#### OUR COMPANY POLICY

Our employees are our most valuable assets. At the same time, through an efficient management, employees are guaranteed and provided with the most important right - the right to work, and dignity.

Our company ensures that none of the employees is not privileged or victim of discrimination due to race, nationality, ethnicity, language, religion, social or sexual beliefs. Our employees are entitled to equal pay for equal work, fair and satisfactory wages, the right to form unions and to join trade unions, the right to health care, social security and social services.

Our shareholders, suppliers, partners and employees respect the **HUMAN RIGHTS**.

In the relationships between employees, we encourage integrity and honesty.

#### ACTIONS UNDERTAKEN IN 2016

- ✓ We comply with both local and international laws regarding the human rights.
- ✓ All employees have received annual medical examination and private medical insurance.



## PRINCIPLE 3

### LABOR STANDARDS

**Businesses must uphold the freedom of association and the effective recognition of the right to collective bargaining.**

#### OUR COMPANY POLICY

All employees are free to join any union of their choice.

All employees are free to join any association or non-governmental foundation.

Every employee has the right to negotiate their salary.

Within SIVECO, all the employee are covered by collective labor agreement and they are being represented in the relation with the company's management by a committee composed of 4 employees, out of which 3 are women. The committee is functioning according to the Labor Code of Romania is periodically organizing meetings.

The role of this committee is to defend and promote the interests of all company employees.

#### ACTIONS UNDERTAKEN IN 2016

- ✓ The employee representatives have pursued the rights of employees, promoted the interests of employees regarding their salary, working conditions, working time and holidays, as well as health and safety at work.

## PRINCIPLE 4

### LABOR STANDARDS

#### **Elimination of all forms of forced and compulsory labor.**

##### **OUR COMPANY POLICY**

In our company any form of forced and compulsory labor is forbidden.

In each individual employment contract is specified that the length of the working day is 8 hours, that each employee has the right to annual holiday, other leave (maternity leave, special events) and right to training.

Each employee has the right to a salary above the National Minimum Wage, according to their job offer and their Career Development Plan (CDP) in which each employee sets his/her Key Performance Indicators (KPI) with their direct manager.

Also, any employee has the right to end the employment relationship at any time.

##### **ACTIONS UNDERTAKEN IN 2016**

- ✓ During 2016, 53 persons were hired, out of which 21 women and 32 men.
- ✓ In the category of persons older than 50 years 2 persons were employed.
- ✓ In 2016, the skill matrix was updated, in particularly for the new employees, the Individual Career Development Plans were revised and 343 training sessions were organized (internal and external certifications) for 406 employees, representing an investment of approx. 235291 RON.
- ✓ During 2016, 95 persons, out of which 40 women and 55 men have left the company.
- ✓ In 2016 SIVECO Romania's employees have benefited from additional rewards, due to their performance and seniority.
- ✓ All employees have benefited from meal vouchers.

## PRINCIPLE 5

### LABOR STANDARDS

#### The effective abolition of child labor.

##### OUR COMPANY POLICY

We support the abolition of child labor and any initiative that aims to protect the health and interests of children.

##### ACTIONS UNDERTAKEN IN 2016

- ✓ We have not hired anyone under 18.
- ✓ We have continued the implementation of the campaign **“A book – a gift from heart to the mind”** – to equip libraries and child and elderly people care centers with educational materials: travel guides, encyclopedias, historical and motivational books. In 2016 we have managed to donate 1385 books through Bookland Association
- ✓ We started an organizational program called **“We give double”** , meaning that each donation coming from the company’s employees is doubled with an equal contribution of our organization. Thus, we helped, with toys, food supplies and money:
  - Children suffering from cancer, from Marie Curie Hospital, The Oncologic Institute and Fundeni Clinical Center – in June 2016
  - Families with numerous children from poor villages in Teleorman county – in December 2016
- ✓ We have donated 20 laptops for supporting the Hour of Code project conducted by ADFABER Foundation. Within this initiative we have also organized IT workshops for pupils from 8 to 18 years old.
- ✓ We have collected 100 forms from employees to transfer 2% of income tax to the:
  - Fundatia Spitalul de Urgenta
  - Fundatia pt Smurd
  - Asociatia Primii Pasi sprePerformanta
  - Fundatua Portul Sperantei

- Fundatia Alfa Omega
- Help Autism
- Asociatia Aripa spre Viata
- Staret Protosinghel Antonie Lita
- Organizatia Salvati Copiii
- Asociatia Noi Orizonturi Familia
- Asociatia practicantilor de snowboard din Romania
- Asociatia pt dezvoltare si progres
- Asociatia Inima Copiilor
- Fundatia Principesa Margareta a Romaniei
- Parohia Brebina
- Asociatia Spitale Curate
- Fundatia Spitalul Clinic de Urgenta "Grigore Alexandrescu"
- Biserica Spitalului de Urgenta Giurgiu cu Hramul "Sf.Arhangheli Mihail si Gavril"
- Asociatia Fight for Charity
- Fundatia Sf. Spiridon Vechi
- Asociatia Umanitara Sf. Stefan
- Asociatia Prietenii lui Andrei
- Hospice Casa Sperantei
- Asociatia Niciodata Singur-Prietenii Varstnicilor
- Fundatia Mereu Aproape
- Asociatia La Primul Bebe
- Societatea Ornitologica Romana
- Asociatia Umanitara Maia Miruna

## PRINCIPLE 6

### LABOR STANDARDS

#### The elimination of discrimination in respect of employment and occupation.

##### OUR COMPANY POLICY

Our company encourages equal opportunities.

No employee is subject to any form of discrimination due to their sex, age, race, membership of a religious cult.

Any form of physical and verbal harassment is strictly forbidden in our company.

Our company maintains a balanced proportion of management positions, in accordance with the EU requirements on breaking stereotypes on the labor market.

The company's efforts to help the community does not resume only to sponsorship or volunteer activities. Through sustainable development goals set for the period 2015 - 2017, the company have committed to carry out a series of research & development projects that will contribute to the overall process of solving some societal issues. Increasing participation in the Research & Development project in the areas like **Education, Environment and Active Aging** are part of SIVECO's development strategy.

During the years, SIVECO has constantly offered opportunity to a large number of young talents to challenge themselves in an exciting working experience, organizing internship programs within almost all the departments of the company.

##### ACTIONS UNDERTAKEN IN 2016

- ✓ Number of women in leadership positions reached 16 in 2016, out of the 38 persons holding top and middle management positions.
- ✓ We participated in European projects meant to support Active Ageing (MEDiATE), Digital Inclusion (Inspiring Science Education).
- ✓ In 2016, the company received 14 students to participate in internship programs.

## PRINCIPLE 7

### ENVIRONMENTAL PROTECTION

**Businesses should support a precautionary approach to environmental challenges.**

#### OUR COMPANY POLICY

As the leading Romanian software company, SIVECO undertakes environmental responsibility, promoting best practices in its area. Our IT solutions lead to cost reductions, to better use of human and material resources, and reduce the negative environmental impact actions.

#### ACTIONS UNDERTAKEN IN 2016

✓ We have continued to implement the plan mobility of employees. In 2016, our buses carried out 3960 routes to and from work. Thus, we have contributed to reducing emissions in the atmosphere and ensuring a decent transport for employees.

## PRINCIPLE 8

### ENVIRONMENTAL PROTECTION

**Companies should promote environmental responsibility.**

#### OUR COMPANY POLICY

Although generally SIVECO's activities doesn't impact in a considerable way the environment, its protection and preservation is part of the company's development strategy. For this reason, SIVECO have implemented over time an environmental management policy based on a reduced consumption level of all resources and implementation of measures in order to reduce pollution as much as possible.

SIVECO Romania is committed to respect the laws, regulations and all the national and international policies concerning the preservation of the environment. This commitment is integrated and implemented within the company through the Environmental Management System Policy. SIVECO Romania is certified for ISO 14001:1996 – environment quality system. Environmental targets are established annually and are formalized in the document "Environmental Management Program"

#### ACTIONS UNDERTAKEN IN 2016

- ✓ We have purchased only low-power devices: computers, servers, monitors, peripherals, lighting, electrical appliances.
- ✓ We have revised the cables network and the air-conditioning systems.
- ✓ In 2016, the company's car fleet was completed with 11 new, reduced pollution models
- ✓ In 2016, 24 cars with high pollution level were dismissed (13 were sold and 11 were included in RABLA program)

## PRINCIPLE 9

### ENVIRONMENTAL PROTECTION

**Companies should undertake initiatives to promote greater environmental responsibility.**

#### OUR COMPANY POLICY

Our specialists have imposed as “**Green Economy**” promoters, proposing IT ecological solutions. SIVECO Romania’s Waste Management, Document Management and Transport Management Systems allow rational use of resources necessary for any organization, such as paper, fuel, energy, s.o.

We are responsible to the environment also through the purchasing of equipment with low-energy consumption: computers, servers, monitors, peripherals, lighting, electrical appliances.

The cables network and air-conditioning systems installed in the company uses energy efficiently.

#### ACTIONS UNDERTAKEN IN 2016

- ✓ New products meant to improve environmental protection were launched : **INOVAGRIA** (an IT solution for collecting, relating, reporting and carrying out forecasting for the data referring to the management of farms and agricultural land) and the **Waste Management Application, within the ERP SIVECO APPLICATIONS** (an IT solution that allows for centralizing the information referring to licensing the organizations developing activities of collection, transport, sale and/or waste disposal, as well as to the distribution of this organizations in the territory)
- ✓ We have monitored and optimized specific consumption of materials and utilities, in order to minimize losses.



- ✓ We have joined the campaign **Earth Hour** in March 2016. We have turned-off the lights for one hour at our office, thus supporting the worldwide movement for the planet.
- ✓ We have collected 2565 kilograms of paper, 515 kilograms of plastic, and 577 cubic meters of mixed household waste.

## PRINCIPLE 10

### FIGHTING CORRUPTION

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

#### OUR COMPANY POLICY

The groundwork of SIVCO strategy is the compliance with the law and regulations. SIVCO knows that in order *to generate positive change, prosperity, competitiveness and access to progress* it is not enough just to create a solution or a product, but it is important to create software that matters and respects the true values of humanity.

In 2006, we have joined the **Partnering Against Corruption Initiative** - PACI, which is based on a set of corporate civic principles defined by the **World Economic Forum** in collaboration with **Transparency International** and **Basel Institute of Governance**.

#### ACTIONS UNDERTAKEN IN 2016

- ✓ In all our internal and external communication and documentation, we have explicitly stated our zero tolerance position, for any form of corruption.
- ✓ In 2016, SIVCO reinforced the Management Board commitment by revising one of the fundamental documents, the Code of Ethics. The values promoted by this Code are: determination, character, loyalty, teamwork, pioneerdom, ingenuity. These values are part of all day-by-day activities and they are deeply rooted in the mentality and behavior of all SIVCO's employees and the entire Management Board.
- ✓ Additional regulations were added regarding sponsorship regime and procedures for evaluation and resolution of cases of violation of the code of ethics. The revised Code of Ethics is introduced to the company's employees as follows:
  - at employment, all new employees are included in the program of induction of newcomers;
  - internal training sessions organized all over the year;
  - Informative e-mails;
  - access to the revised on-line format of the document in the Intranet.

- possibility to consult the paper document at the Human Resource department

✓ In 2016, 406 employees, out of which 190 women, have trained regarding ethics and conformity with the law focused on the Code of Ethics and Anticorruption Guide's provision.

✓ All violations of the Code of Ethics or any other non-compliance or infringement of the law can be reported by any employee through the ***Speak-Up Boxes*** system. This is an instrument used by the company to consult the employees, to receive feed-back on different issues or to receive and collect information that could improve the company's performance. This system is always available and the transmission of the information could be made in total confidentiality. When seeking for advices regarding ethical issues, each employee can addresses directly to the Human Resources department or the responsible manager or to transmit the request using JIRA application.

✓ The Code of Ethics is applicable to all SIVECO employees, Board of Management, collaborators. In all company's contracts is included a clause applicable to the signatory organization referring to their obligation to comply with all the usual standards of ethics and with the specific SIVECO's standards of ethical business conduct.

✓ Our service contracts and have included clauses that explicitly stated that suppliers' work must be carried out according to the principles of anti-corruption practices.

✓ We have trained and certified an employee in sustainability practices according to **Global Reporting Initiative (GRI)**, in order to apply correctly the indicators that standardize the economic, social and environmental reporting.

## **CONCLUSION:**

**During 2016, we have not recorded any act of violation of human rights or discrimination.**

## How we will spread the information

The 10 principles will be made available to employees, suppliers, shareholders, the media and the general public on our website [www.siveco.ro](http://www.siveco.ro)

As in each of the last eight years, SIVECO Romania has published in October 2016, its Sustainability Report.

[http://www.siveco.ro/sites/default/files/article\\_images/SIVECO Sustainability Report 2015 .pdf](http://www.siveco.ro/sites/default/files/article_images/SIVECO_Sustainability_Report_2015.pdf)

The **Annual Sustainability Report** proves our commitment to supporting the **UN Global Compact**.

In October 2016, the 2015 Sustainability Report of SIVECO Romania has won the national phase of the [Deloitte Green Frog Award 2016](#) competition.

Green Frog Award is a competition aiming to identify and recognize excellence in the non-financial reporting in Central Europe, by analyzing the content, materiality, structure and creativity regarding communication, as well as the performance in sustainability and the strategic commitment of reporting.

The report highlights the company's activity throughout 2015, revealing the measures implemented for maximizing the social positive impact and minimizing the negative effects of the company's actions .

In preparing the report for 2015, the company has carried out its first materiality analysis according to the international reporting methodology - Global Reporting Initiative (GRI) - G4. This focused on identifying the material aspects relevant to SIVECO, through a wide stakeholders' consulting process.

**By validating this approach, GRI has granted the Materiality Disclosures Service organizational mark, fully recognizing, in a formal and official manner, SIVECO's compliance with its recommendations regarding this process.**

In 2016, SIVECO Romania has become also member of the international GRI **GOLD Community**.

GRI promotes adoption and integration of the sustainable development principles, having as members top international companies from all sectors of activity.

<https://www.globalreporting.org/network/GOLDCommunity>

Thus, SIVECO Romania has joined an international family of sustainability leaders, actually supporting this concept's adoption.



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