

Communication on Progress

Report for 2016/2017

1. Basic Data

Company: SRC sistemske integracije d.o.o.

Short name: SRC d.o.o.

Address: Boulevard Mihaila Pupina 165V, 11070 Novi Beograd

Country: Serbia

Contacts: Mr. Zoran Živković, Director

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Number of employees: 43

Sector: IT services, implementation and consulting

Date of submission of COP: June 2015

2. Statement of continued support to UNGC

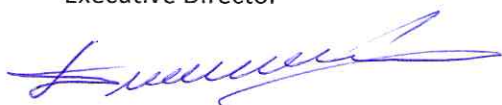
May 2017

I am pleased to confirm that SRC sistemske integracije d.o.o. 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 continuously improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. Aleš Drenški
Executive Director



3. Human Rights

Principle 1: *Businesses should support and respect the protection of internationally proclaimed human rights.*

Principle 2: *Businesses should ensure that they are not complicit in human rights abuses.*

Our commitment or policy

SRC d.o.o. recognizes that we are responsible for supporting the human rights in the work environment. Moreover, we are accountable for advocating the human rights more broadly within society at large. SRC d.o.o. supports the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights.

SRC d.o.o. has no knowledge of human rights violations, discrimination against minorities or disadvantages of individual individuals of any kind.

We at SRC d.o.o. undertook the following actions in year 2016/2017:

- Weekly internal sales meetings included among other things the evaluation of potential clients and their compliance with the human rights principles.
- The service Point of Contact was available to (anonymously) report any suspicions regarding the disrespect of human rights either internally in SRC d.o.o. or externally at potential clients, business partners, suppliers etc.
- Direct communication line with the top management was opened to encourage direct communication with the management.
- Annual evaluation of suppliers was conducted based on the information available to SRC employees responsible for the relations with suppliers.
- All employees have joined the company Code of Conduct that is always available in the Company network.

4. Labour

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*

Principle 4: *Business should uphold the elimination of all forms of forced and compulsory labour.*

Principle 5: *Business should uphold the effective abolition of child labour.*

Principle 6: *Business should uphold the elimination of discrimination in respect of employment and occupation.*

Our commitment or policy

SRC d.o.o. recognizes the responsibility to uphold the freedom of association and the right for collective bargaining. SRC d.o.o. does advocate the elimination of all forms of forced and compulsory labour, and supports the abolition of child labor. Our core values:

- Being a trustworthy, reliable partner to each of our clients,
- Creating an environment where SRC and its clients can grow and develop together,
- Completing every project to the full satisfaction of the client and the end user,
- Keeping our clients happy by keeping our employees happy,

enhance the culture of diversity and inclusion, and are fundamental for recruiting and retaining the personnel who is committed to responsible business. We actively develop the interactions between SRC and its employees that are characterized by integrity, trust, and mutual respect.

For a qualitatively impeccable performance, a fair remuneration as well as a good, well-founded education are elementary. In order to offer our clients high-quality services, we give great importance to a professional background of all our partners, suppliers and employees.

The principles and binding guidelines to respect the principles of working norms are described in the internal Code of Conduct.

We at SRC d.o.o. undertook the following actions in year 2016/2017:

- The certificates ISO 9001, ISO/IEC 27001 and ISO/IEC 20000-1 standard were successfully renewed and consequently received the formal confirmation that the quality of business processes substantially contributes to the decrease of stress level at a work place.
- On the regular basis, the personnel were internally informed about the business results and the strategic plans for the next period. The means of communication are eNewsletter, intranet and personnel meetings.
- SRC d.o.o. conducted the survey where personnel had the opportunity to anonymously express the opinion and make constructive suggestions about the company itself, its management, and evaluate own job satisfaction together with personal expectations. A number of key conclusions and development areas have been identified based on the survey results, and immediate actions have been taken into the considerations.
- Reorganization of work processes has supported employees' empowerment based on progressive corporate culture.
- The principles concerning the working norms have been sent by circular to all employees and can be viewed at any time on the intranet.
- Contractual clauses state explicit labor law standards, which must be complied with by all parties involved.
- The management shows a clear and recognizable attitude towards the topic of anti-discrimination and is required to be respectful as well as demonstrate fair behavior towards customers, colleagues and suppliers.
- First aid boxes are easily accessible so that the first response risk is more effective.

5. Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Our commitment or policy

SRC d.o.o. respects the ethical principles generally accepted in the conduct of business, and rejects and condemns funds that are not harmonized with the environmental responsibility. SRC d.o.o. recognizes the responsibility to minimize the impact of its business on the environment in order to establish a balance between achieving economic interests, social development, environmental protection and conservation of natural resources. SRC supports the effort that is aimed at improving our relationship to the environment in all aspects of environmental protection. The ultimate goal of the environmental measures is the sustainability that will secure the long-term prosperity for society and the company itself.

We at SRC d.o.o. undertook the following actions in year 2016/2017:

- We also pay attention to the fact that the idea of an adequate sustainability policy is firmly anchored at our suppliers.
- We performed the email campaign where emails were equipped with the statement "Please consider your responsibility towards the environment before printing this email."
- Digitization has further reduced paper consumption.
- We have introduced video conferencing as the primary tool of "traveling" instead of cars, airplanes, and trains.
- During the summer season, the difference between indoor and outdoor temperatures was increased by three degrees.
- We have regularly used special waste boxes were located on the office premises and consequently the scrap office paper was collected to be recycled.

6. Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Our commitment or policy

Maintaining the independency is an essential part of our professional conduct. SRC d.o.o., its management, personnel, and sub-contractors are obliged to keep the independency in its operations and to undertake the measures to prevent the acts of corruption.

SRC d.o.o. rejects corruption strictly by any business dealings and practices Zero-Tolerance policy.

We at SRC d.o.o. undertook the following actions in year 2016/2017:

- SRC d.o.o. has opened the service Point of Contact where the information regarding the disrespect of independency can be reported anonymously.
- Personnel took part in annual meeting where the independency topic was presented.
- Important decisions and critical activities have to be made by at least two authorized persons.
- SRC d.o.o. refused to take part in the tender for professional ethical reasons.
- The contract with a business partners was not extended due to the suspicion of corruptive behavior.

7. Availability of Communication on Progress

The company SRC sistemske integracije d.o.o. has been operating successfully since 2003. Specializing in business solutions, company has focused on the development and implementation of complex software systems in the field of process control, documentation management (DMS), and budget management (BPMIS).

In the past 10 years in business, we had the opportunity to work in public administration - from government ministries, government offices and funds to local government units, followed by the banking sector - a large number of banks, including central banks, as well as organizations from different industries. The result is over 50 projects in 7 countries and the great experience that every new project, we enrich and transfer to our new customers.

Having in mind the character of years behind us, we are proud of our team that year after year achieved greater success, thanks mainly to the hard work, expertise and experience.

Our strategy are long-term partnerships, for which the precondition high quality solutions and successful projects, and our the best recommendation are satisfied customers. The solutions that we have implemented and are in use today best illustrated the work of our dedicated and customer relations.

In order that the quality of our services and customer satisfaction continually rises to the next level, we have adopted a policy of quality and safety information. We are certified according to ISO 9001, ISO/IEC 27001 and ISO/IEC 20000-1 standard.

We are determined to continue to follow that direction, aware that it is the way we can justify the status of stable and reliable business partner.

The development of software solutions, as our primary business activity, is organized in two development teams, based on two different technology platforms. One is IBM Domino development team, and the another one is Microsoft .NET development team. All of software solutions and applications that are the result of the work of these two development teams are modern web-oriented solutions, in whose development are used the most advanced development tools, already mentioned technological platforms.

In addition, we have development and consulting teams. They consists of project managers, analysts, consultants and testers who working on implementing solutions.

Total number of employees in SRC is 35, of which 30 works in the sector of operations, which includes development and consulting teams, while the other five belong to back office.

Sales and implementation of our solutions we focus to a large Partner network, in whose development we work permanently. Currently, our Partner network consists of eight companies from Serbia, Slovenia, Croatian, Bosnia and Herzegovina and Macedonia. In BiH we have partnership with several companies.

COP report will be submitted to the web page that contains COPs-to the Global Compact COP database and published on the SRC d.o.o. intranet.