

# 2017 United Nation Global Compact

## COMMUNICATION ON PROGRESS



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

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

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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.

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## FIGHTING CORRUPTION

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

**How we will spread this information**

## SIVICO Romania – Letter from the President & CEO



SIVICO Romania is an European company, with unique skills and internationally competitive experts and the only Romanian software company that provides IT services directly to the European Commission organizations. We are committed to continue innovative projects implementation that are contributing to the welfare of the community. For more than 25 years our global IT solutions, made in Romania are generating positive, change, prosperity and competitiveness for our clients.

In 2017, the defining feature of our company was the economic agility, as we have succeeded to rapidly adapt to the fast changing internal and external environment, launching and marketing new products like WAND and INOVAGRIA.

The advantage of having on our side the most passionate and dedicated team allowed us to develop and coordinate important Research & Development projects financed directly by the European Commission. Projects like **Brain @ Home** and **FLOOD-serv** - Public FLOOD Emergency and Awareness SERVICE brought to our company the opportunity to coordinate international partnerships and to get involve in solving major problems our community is currently facing.

Through our innovative projects and high qualitative products we want to create digitally inclusive communities and to empower the next generation with the right instruments to tackle the challenges awaiting them. For example, with **Wand.education™** application SIVICO wants to raise the quality of the teaching process empowering teachers to bring to their students the pedagogical methods long promised, but never before practical in many schools worldwide.

In the last 2 years, transparency has become one of the main business tools for our company helping us to clarify, understand and overcome critical situations, including the difficulties from 2014. In this regard, we have carried out a thorough analysis of all processes and organizational procedures in order to identify measures needed to correct ethical and law enforcement vulnerabilities and to prevent similar cases from occurring in any of company's operations.

Continuing the tradition instituted 9 years ago, in 2017 we have published as well our Sustainability Report - **INNOVATIVE SOLUTIONS for a SUSTAINABLE COMMUNITY**, in conformity with the Global Reporting Initiative Standards. Thus, SIVICO is the only IT company in Romania and one of the few in Europe to elaborate its report conforming to GRI Standards. By validating this approach, GRI has granted the Materiality Disclosures Service organizational mark, fully recognizing, in a formal and official manner, SIVICO's compliance with its recommendations regarding this process.

**Florin ILIA, President & CEO, SIVICO 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 SIVCO 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 2017**

- ✓ 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 2017 conforming to GRI Standards included 42 employees. They were face to face interviewed by an external consultant, 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
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- ✓ In 2017 we have upgraded the Procedures and Work Instructions, for the specific activities in SIVECO, due to activity of integration of quality, environment and occupational health and safety management systems and also due to implementation of NATO standards (AQAP-2110 and AQAP-2210) requirements for quality management system: 52 procedures and 15 work instructions.
  - ✓ We have also improved the Presentation of Integrated Management System (Quality, Environment, Occupational and Health Safety) (ex Quality Handbook)
  - ✓ In May 2017 the certification audit of the Quality Management System in accordance with the requirements of the new standard ISO 9001:2015 took place, audit conducted by the certification body TUV Austria Romania.
  - ✓ In September 2017 the transition audit to the new requirements of ISO 14001:2015 of the Environmental Management System took place, audit conducted by the certification body TUV Austria Romania.
  - ✓ In October 2017 the certification audit of the Quality Management System in accordance with NATO standards (AQAP-2110 and AQAP-2210) took place, audit conducted by OMCAS (the Romanian military certification, accreditation and surveillance body).

## 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 2017

- ✓ 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 2017

- ✓ 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 2017**

- ✓ During 2017, 94 persons were hired, out of which 44 women and 50 men.
- ✓ In the category of persons older than 50 years 8 persons were employed.
- ✓ In 2017, the skill matrix was updated, in particularly for the new employees, the Individual Career Development Plans were revised and 500 training sessions were organized (internal and external certifications) for 428 employees, representing an investment of approx. 358000 RON.
- ✓ During 2017, 56 persons, out of which 25 women and 31 men have left the company.
- ✓ 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 2017

- ✓ We have not hired anyone under 18.
- ✓ We have continued the implementation of the campaign **“A book – a gift from heart to the mind”** – provide young people with educational materials: calendars, travel guides, encyclopedias, historical and motivational books through Bookland Association.
- ✓ We continued the 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 families with numerous children from poor villages in Prahova and Teleorman counties – in December 2017
- ✓ We have collected 100 forms from employees to transfer 2% of income tax to the:
  - Fundatia Spitalul de Urgenta
  - Fundatia pt Smurd
  - Fundatia Alfa Omega
  - Asociatia Noi Orizonturi Familia
  - Asociatia Inima Copiilor
  - Asociatia Spitale Curate
  - Hospice Casa Sperantei
  - Asociatia Romana pentru Custodia Comuna
  - Biserica Crestina dupa Evanghelie Izbanda
  - Asociatia de Proprietari Margelelor 11
  - Asociatia Minti Creative

- Fundatia Speranta pentru Copiii Romaniei
- Parohia Brebina Jud. Teleorman
- Manastirea Sf. Pantelimon Bucuresti
- Asociatia Salve Romania
- Asociatia Help Autism
- Asociatia Destin Iri
- Asociatia Daruieste Viata
- Asociatia Impreuna Scoala 1 Buftea
- Asociatia Initiativa Pentru Europa
- Asociatia Ionut Groza

## 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 2017

- ✓ The number of women in leadership positions reached 17 in 2017, out of the 42 persons holding top and middle management positions.
- ✓ We participated in European projects meant to support Active Ageing (MEDiATE), Digital Inclusion (Inspiring Science Education).
- ✓ In 2017, the company received 50 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 2017

- ✓ We have continued to implement the plan mobility of employees. In 2017, 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.
- ✓ New products meant to improve environmental protection were launched, such as 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 ECOSUNT (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).
- ✓ In 2017, SIVECO supported the worldwide movement, by joining the campaign Earth Hour (turning off the lights at the office for one hour).
- ✓ Part of the company's sustainability strategy and in order to support the reporting process, during 2017, SIVECO developed the Annual Carbon Footprint Report. This document is proving relevant information regarding the carbon footprint calculation. According to this, the total GHG emissions of SIVECO Romania are equivalent to 1,541.454 tons of CO<sub>2</sub>e. From the total amount of GHG emissions, the activity that generated the biggest share is represented by electricity consumption (59%).

[http://www.siveco.ro/sites/default/files/article\\_images/Raport\\_SIVECO\\_Amprenta\\_Carbon\\_2016.pdf](http://www.siveco.ro/sites/default/files/article_images/Raport_SIVECO_Amprenta_Carbon_2016.pdf)

## PRINCIPLE 8

### ENVIRONMENTAL PROTECTION

**Companies should promote environmental responsibility.**

#### OUR COMPANY POLICY

Although generally SIVECO's activities don'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.
- ✓ The company's car fleet includes reduced pollution models

## 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 2017

- ✓ 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 **ECOSUNT** (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 collected 3220 kilograms of paper/cardboard and 431 kilograms of plastic.



## PRINCIPLE 10

### FIGHTING CORRUPTION

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

#### OUR COMPANY POLICY

The groundwork of SIVICO strategy is the compliance with the law and regulations. SIVICO 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.

#### ACTIONS UNDERTAKEN IN 2017

- ✓ In all our internal and external communication and documentation, we have explicitly stated our zero tolerance position, for any form of corruption.
- ✓ In 2017, SIVICO 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 SIVICO's employees and the entire Management Board.
- ✓ The information within Anticorruption Manual has been completed and aligned with the latest legislative changes in the field, and some of the existing information has been restructured, making it more user-friendly.
- ✓ Both documents (Code of Ethics and Anticorruption Manual) are applicable and available to all employees through:
  - induction program of newcomers;
  - internal training sessions organized all over the year;
  - Informative e-mails;
  - Intranet;
  - paper document at the Human Resource department.

- ✓ In 2017, 94 new employees, out of which 44 women, have received with the induction program training 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, Anticorruption Manual or any other noncompliance or infringement of the law can be reported by any employee through the Speak-Up Boxes system. 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 address directly to the Law department or the direct responsible manager.
- ✓ All SIVCO's employees, collaborators, suppliers and clients must fully comply with all internal and external laws, prohibiting providing improper payments, gifts or any kind of incentives to any person and received from any person, including public or private officials, clients and suppliers.
- ✓ In 2017, SIVCO continued to be focused on the process regarding the selection and monitoring of the partners activities having in view that based on the company risk assessment a significant potential risk regarding corruption could emerge from this level. Within the company's service contracts it have been included clauses that explicitly states that suppliers' work must be carried out according to the principles of anticorruption practices.
- ✓ The Code of Ethics is applicable to all SIVCO 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 SIVCO's standards of ethical business conduct.
- ✓ SIVCO 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.

**IMPORTANT:**

**During 2017, 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 2017, its Sustainability Report.

<http://www.siveco.ro/sites/default/files/rss/2016/mobile/index.html#p=1>

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

- ✓ The Sustainability Report – INNOVATIVE SOLUTIONS for a SUSTAINABLE COMMUNITY presents the main activities implemented by SIVECO Romania in 2016 that contribute to the improvement of its economic, social and environmental performance, creating sustainable value for the stakeholders.
- ✓ From the review process of the materiality analysis has resulted 23 material topics that incorporates the 18th resulted in the previous year. These topics are the heart of the report and the main benchmarks of SIVECO sustainability performance for current year. The materiality analysis methodology is explained in the sub-chapter “Materiality: identification, prioritization, validation, review”. Each chapter and sub-subchapter contain information about the Disclosure Management Approach and the performance indicators for each material topic. Furthermore, for each material topic are reported the actions taken to minimize the negative impact and to maximize the positive impact for the company.
- ✓ This report has been prepared in accordance with the GRI Standards: Core option.
- ✓ The reporting process respect the principles, established by the GRI-101 Foundation Standard, to define the contents - Materiality, Stakeholder inclusiveness, Sustainability context and Completeness – and to ensure the quality of information - Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability.
- ✓ The information reported allows to compare and to understand the evolution of SIVECO sustainability performance from the last report published in 2016.

- ✓ The collection of the information was realized in conformity with the quality standard of the Integrated Management System of the company, ensuring in way the standardization and the consolidation of information.
- ✓ The report highlights the company's activity throughout 2016, revealing the measures implemented for maximizing the social positive impact and minimizing the negative effects of the company's actions .
- ✓ **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.**
- ✓ SIVECO Romania is 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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