



**UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS
2017**

ROMRADIATOARE SA - Statement from the Director General

The Communication on Progress gives us the chance to annually draw the line, evaluate and present our progress to our stakeholders, shareholders, business partners, customers and to the world.



We are constantly keeping in mind and applying the UNGC's 10 principles on human rights, labour, environment and anti-corruption and we are committed to respecting them further on in our business.

We support and encourage our business partners to take into consideration and to respect the ten principles in their own company policy.

Director General,
Oliviu Niculescu

Human rights & labour standards

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

Principle 2: make sure that they are not complicit in human rights abuses.

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: the elimination of discrimination in respect of employment and occupation.

We are convinced that our continued success is strongly related to our employees' well-being. We are committed to respecting the law and regulations, and to providing the best opportunities for our employees to grow and develop within the company, no matter their race, color, sex, religion, ethnicity or nationality, sex, sexual orientation, social origin or political beliefs.

Our collective bargaining agreement is aimed at promoting and implementing equitable labour relations as to enable a profitable activity, to ensure social protection for our employees and to avoid the appearance of collective labour conflicts. Employees are selected, hired and promoted based only on their qualifications and abilities.

Free choice of workplace

ROMRADIATOARE denies any use of forced, bonded or involuntary work.

No discrimination

We provide equitable opportunities and treatment, regardless of race, color, sex, religion, nationality, sexual orientation, social origin or political beliefs. Employees are selected, hired and promoted based only on their qualifications and abilities.

No child labour

Child labour is prohibited. The minimum age for employment is in accordance with legal provisions. We never hired, nor we will hire, workers under the legal age of employment.

Freedom of association

We recognize the right of all employees to establish or join unions or other professional organizations. ROMRADIATOARE, the unions and the employees' representatives are working together in the spirit of a constructive and cooperative management for defusing potential conflicts.

Providing training on health and safety aspects

Our employees benefit of trainings on quality, health & safety and emergency procedures since the beginning of their working in the company until the contractual agreement ends.

Access to basic health and education

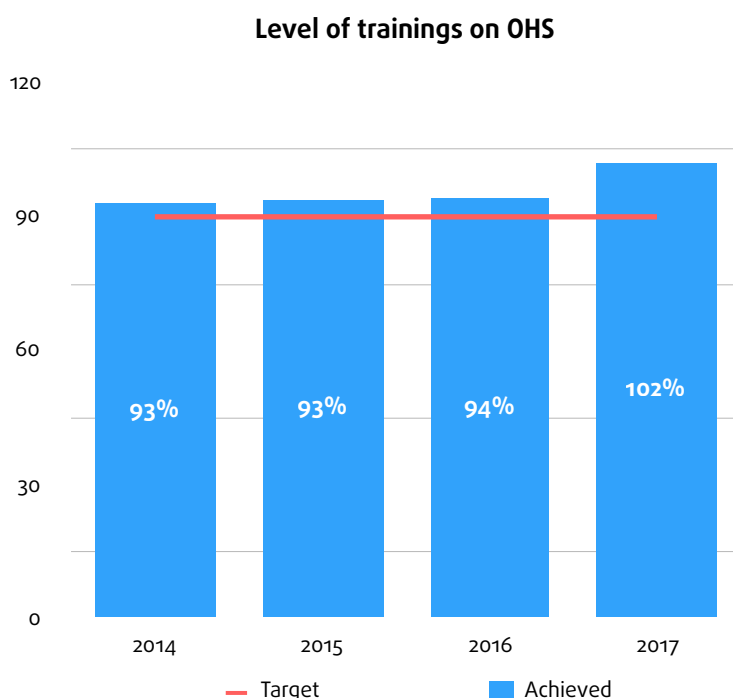
All the employees have access to our own physician office, which is open daily and where they can benefit of free consultation and medical treatments. ROMRADIATOARE provides for all employees free access to cold and hot drinks through the vending machines located in each workshop. Our company offers internal and external trainings in many different areas such as: sales, project management, quality systems, environment, human resources, and IT.

Providing safe and healthy working conditions

We implemented OHSAS 18001, a framework for occupational health and safety management, in order to improve working conditions, in line with internationally recognized best practices. This improved the working conditions and greatly reduced the occupational risks for our employees. We are constantly monitoring our health and safety aspects through comprehensive internal audits. Our continuing goal for 2018 is zero OHS related accidents.

Occupational Health and Safety Procedures

Our company respects national and international laws regarding healthy and safe working conditions. ROMRADIATOARE ensures occupational safety and health at its workplaces by minimizing and isolating risks to employees, contractors and visitors.



**Zero OHS
related
accidents in
2016 and in
2017**

Environment

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.

ROMRADIATOARE is committed to protecting the environment by preventing pollution through promoting and implementing the best technologies in its production processes. Along with human rights and labour standards, the protection and continuous care for the environment are among the most important objectives of ROMRADIATOARE.

We have finished a € 1.100.000 investment program in order to significantly improve our environmental performance. The project was called „Green Business Development for Increased Competitiveness” and it was supported by a grant from Norway, through the Norway Grants 2009-2014.

Quality and environmental policy

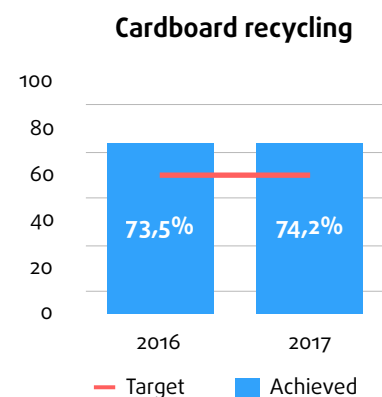
ROMRADIATOARE has an open communication with all its stakeholders about its environmental policy. Our company has implemented best industry practices and technologies for its manufacturing processes and we are in constant search for the best ways to improve our environmental performance and for innovative and eco-friendly technologies and materials. We are constantly monitoring all these indicators through Management Analysis and ISO 14001:2005 audits. For 2018 we are looking to reduce our scrap levels due to quality issues and to continue our quality and environmentally friendly policy.

Selective waste collection

All our employees are trained in the selective waste collection. In our production facility and in our offices, we provide separate recycling bins for better managing all types of waste.

Cardboard recycling

While the compulsory limit is 60%, our performance on cardboard packaging and cardboard waste final recycling improved from 73,5% in 2016 to 74,2% in 2017. For 2018 we are looking to further improve our cardboard recycling performance.



Anti-corruption

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

ROMRADIATOARE recognizes that corruption has an adverse effect on communities and businesses wherever it occurs, so our company is committed to fighting corruption in all its forms.

ROMRADIATOARE complies with national legislation against corruption and one of our most important goals is maintaining our integrity.

Responsible use of resources

Our employees behave honestly, are trustworthy and set a good example. Furthermore, they use the resources of the company in the best interest of ROMRADIATOARE, and do not misuse these resources.

No conflict of interests

As employees, they make a clear distinction between the interests of our company and their private interests, and avoid possible conflicts of interest. They do not accept gifts, invitations or other benefits which could contradict this principle. Our procurement protocol for investments included clauses that explicitly stated that potential suppliers must obey the principles of anti-corruption practices. Our committee for evaluating offers was also vetted on anti-corruption and conflicts of interests.

No corruption

We have a zero tolerance approach to bribery and corruption and none of our employees has ever been involved in any corruption, bribery or conflict of interests.