

Annual report for 2017 for Global Compact

Etisoft Sp. z o.o. has been a participant of the Global Compact initiative since December 2010.

PRINCIPLES OF CONDUCT APPLICABLE AT ETISOFT SP. Z O.O.[LTD.]

These principles of conduct apply at all the organizational units and non-resident branches of Etisoft Company.

GENERAL REQUIREMENTS

All the organizational units of the Company, non-resident branches, suppliers and their subcontractors are obliged to act under these principles of conduct. In case that suppliers outsource the supplies of products, materials, equipment, services, etc., for Etisoft Sp. z o.o., the supplier shall be responsible for ensuring that such subcontractor observes the requirements determined herein.

SPECIFIC REQUIREMENTS

Child labor

Etisoft does not accept any form of employing children below the age of 16. In justified cases concerning employing minors between 16 and 18 years of age, the employer is obliged to provide working conditions, working hours and remuneration adapted to the minors' age and pursuant to the applicable laws.

Forced labor

No form of labor provided against the employee's free will or conscious choice is tolerated at the Company.

Health and safety

All the employees of the Company should be provided with a safe and healthy labor environment. The employer should also take all the reasonable measures aimed at the elimination of the reasons for negative working conditions.

Discrimination of employees

Etisoft treats all the employees equally, disregarding any cultural, religious differences, political views, trade union membership, sexual orientation, age, sex, disability. Any decisions on employment, remuneration, professional promotion, training courses, etc. are made basing on the skills and qualifications held by an employee only.

Workplace harassment and abuse

No employee of Etisoft may be discriminated or harassed, the result whereof being the violation of the employee's dignity, humiliating or degrading them. Such behavior may include physical, sexual, psychological or verbal elements.

Working hours

Etisoft recognizes that the employer must not require from its employees work within hours exceeding the agreements contained in the "Working Rules".

Remuneration

Etisoft employees are entitled to remuneration for the work provided in the amount as defined in the employment agreement, however, the remuneration, including the extra components, must be equal or exceed the level of minimum remuneration as defined by the applicable laws.

Freedom of association and right to negotiate collective agreements

All the employees are entitled to free establishment and joining any organizations representing their interests as employees. No employee may be intimidated or harassed due to exercising its right to association. The employer must also observe the employees' right to negotiate any collective agreement.

Compliance with environment protection requirements

The rules of conduct of Etisoft in the scope of the Company environmental impact have been defined in the „Integrated Management System Policy" at Etisoft Sp. z o.o.".

Monitoring and conformity

The obligation to monitor the conformity of the company functioning with the principles of conduct implemented and the necessity to inform the employees on the measures taken up and their results lies within the responsibilities of the Company management.

ETISOFT Human Capital

- Knowledge, competences, experience and motivating employees for the organization's development.
- Motivation for improvement and development of processes, products and services, including the abilities of employees related to leadership, management and cooperation.
- High safety culture.

Our aims in the scope of human capital management:

- Guarantee of and development of all the employees, for the effective accomplishment of the business strategy.
- Permanent improvement of awareness and commitment level of managerial staff, employees and subcontractors in the improvement of occupational safety.

Key measures:

- Responsible recruitment and adaptation to working environment.
- Improving the systems of employee training and development.
- Creating an involving workplace.
- Reliable assessment and appropriate motivation of employees.
- Observance of the ethical principles in business.
- Performance of occupational health and safety improvement projects.
- Engaging the managerial staff in dissemination of proper Occupational Health and Safety attitudes among the employees.

The recruitment measures taken in 2017 enabled the company to employ people with the qualifications required. Moreover, as part of sharing knowledge and best practices, concerning the staff selection process, the assessment of the candidates' competences and adaptation to workplace, internal training was held.

The key development measures in 2017 focused on the performance of the training and development plan aimed at the acquisition and expansion of the substantial knowledge and improving qualifications by the employees at their positions. This was carried out according to the training plans for each department, prepared with consideration to the development tasks and targets of employees agreed upon during their periodic assessment. Specialized training and costs of education at post-graduation studies of the employees are funded by the Company in 100%. We also fund in 100% foreign language learning as indicated in the specific working positions.

We fully use the potential of our employees. We build the culture of knowledge sharing and we use the experience and expertise of employees committing them into the process of their coworkers' development. They are able to pass the valuable knowledge during training courses within the Induction Program, where they are the tutors of the new employees or trainers during the internal training.

The training plan was accomplished in 71 %

The total number of trained employees - 425 people

In 2017 ca. PLN 562 thousand was spent on training

On co-funding university education costs: PLN 10,5 thousand

PLN 100 thousand was spent on courses in language schools

The total amount of funds spent on qualification improvement: PLN 673 thousand

The high results of the last periodic assessment of employees, which covered most of the staff, indicate the efficiency of the tools in the scope of recruitment, adaptation, training and development, and motivation of employees. All the employees holding a permanent employment agreement, with at least 6-month experience in a specific organizational unit are subject to the periodic assessment. At the time of assessment the person assessing them must also have a minimum half-year experience in a given job.

We carried out another Employee Opinion Survey in 2017.

Each employee could express their opinion in 6 areas:

- ✓ What I think of working for Etisoft
- ✓ The atmosphere
- ✓ My line manager supports me at work
- ✓ Working conditions and organization
- ✓ Development opportunities
- ✓ Communication

The respondents had to choose one of five answers for each question.

In 2017 the employees assessed the following areas as the best:

Working conditions and organization and **What I think of working for Etisoft**, while the best results through the entire survey were obtained in the section ***I intend to work for the Company through the coming year*** and ***My working time is being respected*** (like the previous year).

This year we have recorded improvement in 19 points (while last year in 10 points), no improvement has been recorded in 3 areas, and decrease in relation to the previous year was visible in 5 areas (14 last year).

In the area „**What do you think about the Company**” the questions concerning *Remuneration* gained the lowest assessment (a result better by 3 points comparing to the previous year) while the question concerning *Continuation of career with the Company through the following year* gained the highest results (we observe the same level in comparison to the previous year).

In the area **Atmosphere** the point *The teams support each other* gained the lowest results (growth by 2 points versus 2016), while the point *There is a good atmosphere in my team (increase by 4 points versus 2016)* was the best.

In the area **My line manager supports me at work** the point related to *My manager is open to hearing out my problems* was assessed as the best (despite increase by 2 points comparing to last year), while the point *I receive feedback on my work* - as the worst (increase by 7 points, as compared to the previous year)

In the area **Development Opportunity** the point related to the *Performance Review Meeting* was assessed as the best (growth by 3 point versus 2016) while *“I have an Individual Development Plan”* as the poorest. We have also observed the highest increase (by 2points comparing to 2017) in *The Company provides me with appropriate number of trainings*.

The survey results show steady growth in two areas – *What I think of Etisoft* and *Development Possibilities* and also a major drop in several points concerning *Communication* and *Support from Manager* which may be a consequence of many deep changes that our company encounters in various business areas.

The remuneration system at ETISOFT provides adequate pay for the position held and scope of responsibilities. We try to offer our employees attractive rates of their basic salary, the market median becomes an important indicator, considering the specific nature of our labor market and internal business conditions.

ETISOFT guarantees an attractive working environment and an opportunity of professional development as well as a rich social package to all the employees, whatever their gender and age is. The employees, whether employed for definite or indefinite time, full or part time, benefit from a package of the same additional benefits. Maternity, paternity leaves, extra maternity leaves pursuant to the applicable laws are granted. The company offers social assistance in the form of allowances, co-funding of the children's holidays. The Company enables the employees to buy membership cards in sports clubs, within the Benefit program, thanks to which they may use the sports facilities and activities for a less expensive price.

We also offer our employees the opportunity to benefit from pension funds. The fund is entirely paid for by the employer and joining it is voluntary and covers all the employees holding the employment agreement for at least one year. Pension savings within the third pillar is an essential element of responsible planning of personal financial future, therefore we try to secure the future of our employees.

We shall keep on taking up measures intended to provide skilled personnel, necessary for efficient business strategy performance and improving the organizational culture basing on the accepted values.

Our headcount structure is as follows:

Headcount for the end of 2016

Headcount	328	
women	149	45%
men	179	55%
disabled employees	8	2,5%
Average age	36 years	
Distribution according to age		
18-25 years	33 persons	10%
26-30 years	56 persons	17%
31-40 years	133 persons	40%
41- 50 years	78 persons	23%
51-70 years	28 persons	10%
employment contracts	328	100%

Customers

In order to provide high quality of customer care, we conducted a Customer Satisfaction Survey at the end of December 2017. Customer Satisfaction Survey Report provides an overview of the satisfaction of Etisoft customers with a range of services offered by Etisoft. The survey was conducted on a group of 35 clients, and consisted of 9 questions. Questions from 1-7 assessed selected areas of the Company's activities: 1.

Marketing 2. Sales 3. Research and Development 4. Customer Service Office 5. Production and Logistics 6. Service 7. Questions from 8-9 assessed two others areas: 8. Competition (reasons for making purchases from the competition). 9. Improvement and development (reasons for making purchases from the competition). As a result, the level of customer satisfaction in 2017, amounted to 5.14 and this is an increase of 0,15 points in comparing to 2016.



Most of the surveyed customers are satisfied with our service and have no additional comments regarding the functioning of the organization.

PERFORMANCE OF ENVIRONMENTAL MEASURES FOR 2017

1. WASTE MANAGEMENT AT ETISOFT SP. Z O.O.:

▪ **Quantities of hazardous and non-hazardous waste produced:**

No	TYPE OF WASTE	2016		2017	
		QUANTITY (Mg)	Net AMOUNT payable	QUANTITY (Mg)	Net AMOUNT payable
1.	Hazardous waste	8,9579	6 216,35 zł	8,3445	6 156,50 zł
2.	Non-hazardous waste	3,7800	2 797,50 zł	4,5750	3 033,50 zł
3.	Non-hazardous waste (technological waste)	524,0200	94 323,60 zł	454,9300	81 887,40 zł
4.	Non-hazardous waste (collected free of charge)	9,1378	-----	8,4940	-----
TOTAL:		545,8957	103 337,45 zł	476,3435	91 077,40 zł
5.	Non-hazardous waste (the segregation of which we paid for)	33,4350	9 929,69 zł	39,8460	12 734,50 zł
TOTAL QUANTITY OF WASTE COLLECTED:		579,3307 Mg		516,1895 Mg	

▪ **The quantities of municipal waste produced:**

2016		2017	
QUANTITY (m³)	Net AMOUNT payable	QUANTITY (Mg)	Net AMOUNT payable
534,00 of which [locations]: Szara 21 – 377,00 Sowińskiego 11 – 157,50	PLN 23 068,80	502,50 of which [locations]: Szara 21 – 362,50 Sowińskiego 11 – 140,00	PLN 23 115,00

The price for neutralization of municipal waste has been increased since 01.01.2017 and is as follows:

	OLD PRICE (net)	NEW PRICE (net)
• Neutralization of 5m³ container	216,00	230,00
• Neutralization of 2,5m³ container	108,00	115,00