

1. CEO STATEMENT OF CONTINUED SUPPORT FOR THE UN GLOBAL COMPACT AND ITS TEN PRINCIPLES

January 26th 2021

To our stakeholders:

I am pleased to confirm that **Spona Code** 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 continually 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,

Dijana Kobas Dešković
CEO

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2. DESCRIPTION OF ACTIONS

Human Rights

- The workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation and lighting; suitable washing and sanitation areas appropriate for every gender
- During COVID-19 pandemic the company ensured disinfectants and protective masks for its employees as well as social distancing procedures in company premises
- The company provides safe drinking water for workers and facilities for clean and sanitary food storage and eating
- Normal company working hours are limited to 40 per week by both company policy and practice
- Workers are allowed at least 24 consecutive hours of rest in every seven-day period.
- The company ensures that workers have no less than a 30-minute break for every 4 hours of work and that workers are allowed to use toilet facilities whenever necessary and not just during designated breaks
- It is company policy to provide workers with a living wage sufficient to meet basic food, clothing and housing needs and provide some discretionary income for themselves and their dependents
- Workers are granted four weeks of paid holiday leave per year
- The company ensures that sick leave is not deducted from workers' vacation time
- The company ensures that all employees receive employment contracts prior to starting work for the company, and that contracts are understood by each employee
- Contracts detail each employee's rights and obligations of employment, including clear job description, bonus and salary systems, and reasonable notice periods
- The company has a commitment to prevent workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats

- The company within its business model actively promotes UNGC's sustainable development goals: gender equality, decent work and economic growth, reduced inequalities and partnerships for goal

Labour

- Workers can give notice and leave employment within a reasonable length of time which is clearly communicated to workers prior to starting employment
- The company ensures that it does not withhold wages or bonuses and that it pays them in a timely and regular manner
- The company ensures it does not make deductions from wages for disciplinary measures or other deductions not authorised by national law
- Within normal working hours workers are able to earn a living wage sufficient to meet the basic needs of themselves and their closest dependents
- All workers are allowed to leave company premises during breaks and at the end of their shifts
- The company identifies different types of discrimination, including those rooted in formal structures and cultural traditions
- It is company policy to ensure that decisions concerning hiring, wages, promotion, training, discipline, retirement and termination are based only on unbiased criteria, and are not linked to any of the discriminatory characteristics
- The company ensures that employment advertisements do not reference discriminatory criteria, such as nationality, gender or age
- The company ensures that job applicants are not asked to give information about their marital status, pregnancy, intent to have children, number of dependents, or similar information that may lead to discriminatory hiring decisions
- The company takes reasonable steps to enable qualified persons with disabilities or health conditions to gain employment opportunities with the company, for example by providing wheel chair access, flexible working hours, longer breaks etc.

Environment

- The company monitors its energy consumption
- The company ensures that waste relevant for recycling is sorted and handed over to a recycling company
- The company marks areas used for storage of waste, and properly labels all containers for storing waste
- The company ensures emergency procedures to prevent and address accidents affecting the environment and human health

Anti-Corruption

- The company has assigned different individuals or departments to be responsible for handling contracts, placing orders, receiving goods, processing invoices and making payment
- The company prohibits informal employment and any 'off the books' record-keeping
- All agreements with agents, intermediaries and consultants are fully documented in written, signed contracts

- The company ensures that payment to agents, intermediaries and consultants are in line with standard payments for other service providers of similar ranking
- The company only makes payments by bank transfer or check - never in cash - in the country of the agent, intermediary and consultant and never to a third party without prior examination

3. MEASUREMENT OF OUTCOMES

- The company has a gender-balanced team
- 80% of waste is recycled
- The company won the OPEN Spotlight Award in the Engine of Change category
- The company was the finalist for Best Leadership Award in the 2020 G7-EU Women's Empowerment Principles #WEPSAward by UN Women and Global compact
- Through the partnership with 33 companies in Croatia and Macedonia, the company has impacted more than 32,000 employees who benefited from introducing gender sensitive and family-friendly policies. Implemented measures resulted in: increased employee engagement (80%), better work-life harmony (85%), reduced sick-leave (by 11%) and turnover rate, rise in the proportion of women managers (by 14%) and female promotions (50%), and growth of female talent pool (by 9%) to name a few.