

ETISOFT

Etisoft Annual Report 2021

Communication on progress



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INTRO

Etisoft has been a member of Global Compact initiative since December 2010

10 PRINCIPLES OF GLOBAL COMPACT IN DAILY OPERATIONS

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. We have implemented the Code of Ethics, which sets out the ethical guidelines and best practices of the organization that must be followed to ensure honesty, integrity, and professionalism.

Working hour

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.”

Our company is registered into Packaging Waste Management System (BDO).

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.

Our company has implemented a procedure that allows all employees to report any incidents that violate the law or internal regulations, violating the principles set out in the code of ethics.



OUR RESPONSIBILITY

Michał Majnusz, the president of Etisoft Sp. z o.o.

At Etisoft, since the beginning of our activity we have been aware of how much power business possesses to change the world for better. Our corporate strategy supported by the ten principles of the UN Global Compact and the Sustainable Development Objectives serve as our guideline. They are reflected in our business and employee activities. As a company, in our daily activities, we take measures supporting sustainable development. They concern employees and, on a global scale, have a significant, long-term impact on the environment or business relations around us.

Etisoft's mission is "Safe cooperation - continuous development." Guided by this principle, we place a lot of emphasis on a long-term and stable cooperation with our business partners,

customers, and employees. These activities are in line with the UN Global Compact's principles on human rights, labor, environment, and anti-corruption as well as taking measures to support social objectives. One of the latest documents specifying the attitudes desired in our company is the Code of Ethics adopted last year. It is supplemented by a procedure for reporting violations of the principles specified therein. Last year we undertook another initiative limiting our impact on the environment. We began to replace Etisoft's vehicle fleet with hybrid cars. Currently, they account for 59% of our fleet. According to our mission, we strive to be an active participant and creator of industry transformation. Professional development of our employees enables us to build a team of professionals ready to implement innovative solutions for Industry 4.0.

In turn, our brand and the scope of its activities is defined by the slogan “Etisoft it means more.” This is a summary of what is the most important to us when it comes to human capital, experience, responsibility, safety, and technology.

A dynamically changing world requires decisive steps, clear guidelines, and right decisions. We are aware of the fact that public and consumer trust towards the business world is built through small but specific actions. Not only on an everyday basis, but also in difficult and critical situations. We have a long history and pride ourselves in operating with integrity and transparency, regarding responsible management as an essential corporate value.

We use it to build a better, safer future, improving the quality and comfort of life and work.

#EtisoftItMeansMore
Together we can do more

ETISOFT AT A GLANCE

“From labels to Industry 4.0”

We have manufactured labels and industrial markings and provided Auto ID and RFID solutions for nearly 30 years. We deal with automatic product identification, implement increasingly modern Industry 4.0 solutions to facilitate and automate the operation of production, warehouses, and logistics centers.

Our customers include approximately 1,800 major companies from 40 countries worldwide. They represent such branches as automotive, household

goods, audio and video devices, electronics, and many others (construction, chemical, pharmaceutical, logistics and FMCG).

During the pandemic, we flexibly expanded our offer to include the manufacture of self-adhesive masks and protective visors. To this end we used our machines, raw material, and employees’ expertise. Etisoft headquarters is in Gliwice (Poland)

Etisoft consists of 18 capital-related companies



11
companies
with manufacturing,
commercial
and R&D profiles

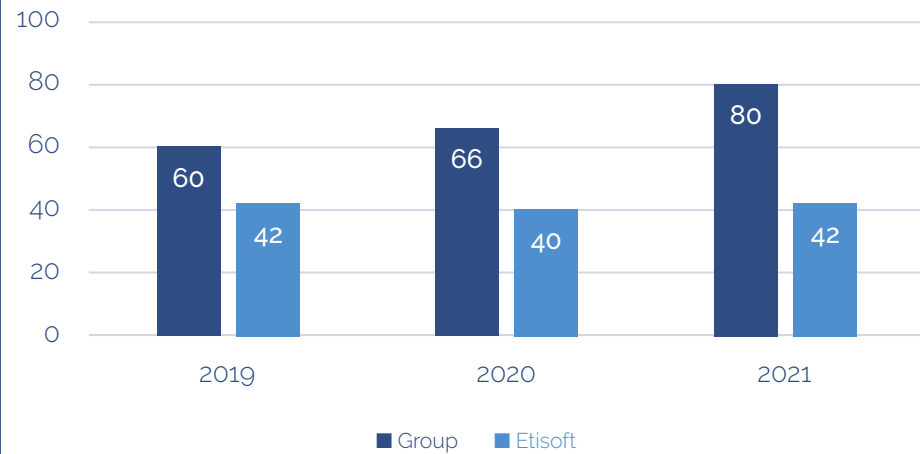


8
Etisoft branches
(Kraków, Warszawa, Germany,
Denmark, Hungary, the Czech
Republic, Slovakia, Ukraine)

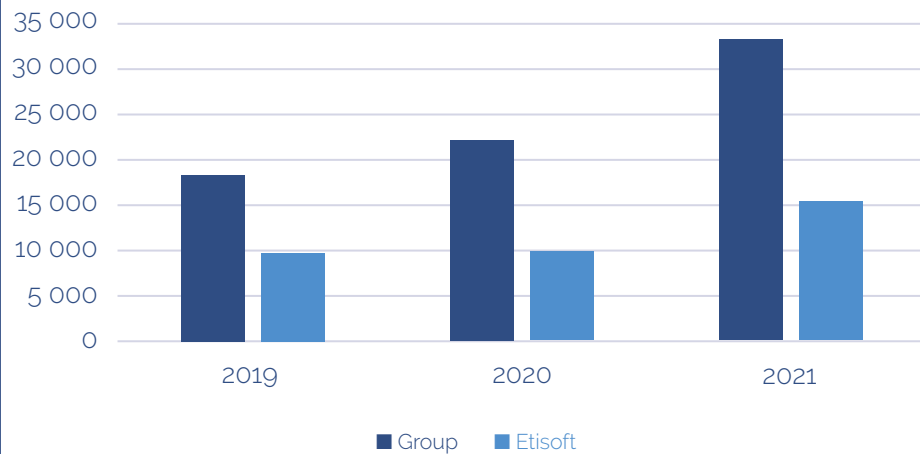


1
company
MacArthur-Etisoft
operating
in the USA

Turnover in million Euro



Surface area of facilities in sqm



Certificates held by Etisoft

- PN-EN ISO 9001:2015 Certificate
- PN-EN ISO 14001:2015 Certificate
- IATF 16949:2016 Certificate
- FSC Certificate

Here you can read more about us.
www.etisoft.eu



HUMAN CAPITAL and LABOUR

SPORT, WELLBEING AND DEVELOPMENT

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.

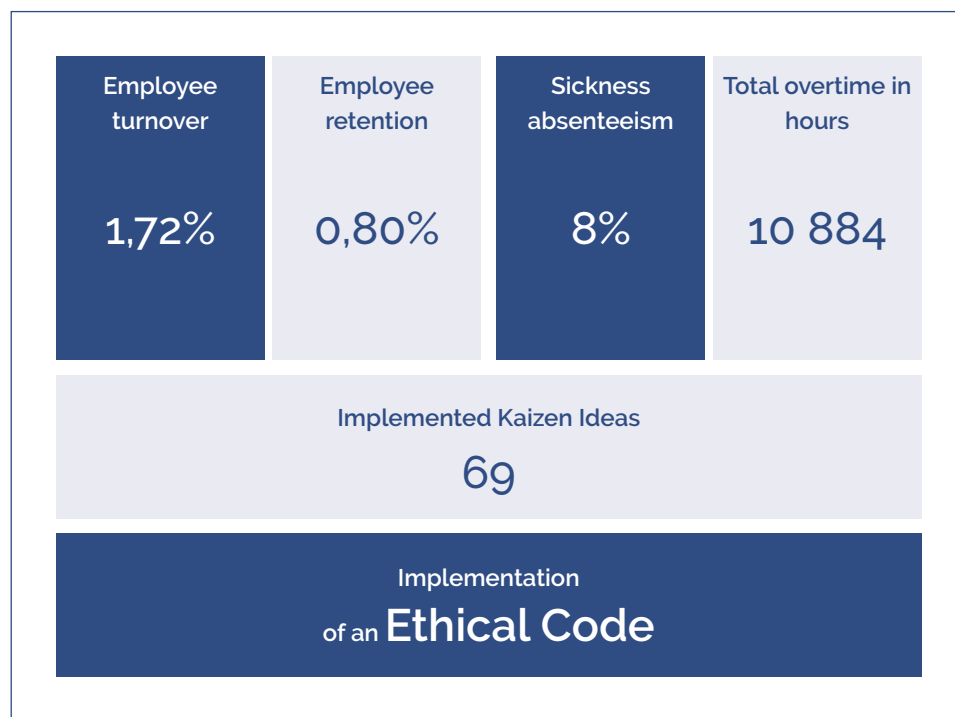
Our aims in the scope of human capital management:

- 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.
- Introduce training and development programs: Employee Development Program (Teach employees to own their career development), Management Development Programs and Knowledge and experience sharing program (Internal Trainers Program).
- Creating an involving workplace.
- Observance of the ethical principles in business – implementation of an Ethical Code
- Engaging the managerial staff in dissemination of proper Occupational Health and Safety attitudes among the employees.
- Promotion of healthy lifestyles (Etisoft Sport Teams).
- Involvement in activities for homeless animals ("A warm blanket for a winter night" – the collection of gifts for homeless animals).





Employee turnover and Personnel costs in 2021

Employee turnover	Approximately monthly personnel costs/employee
1,72 %	6 804 PLN

Business process improvement in 2021

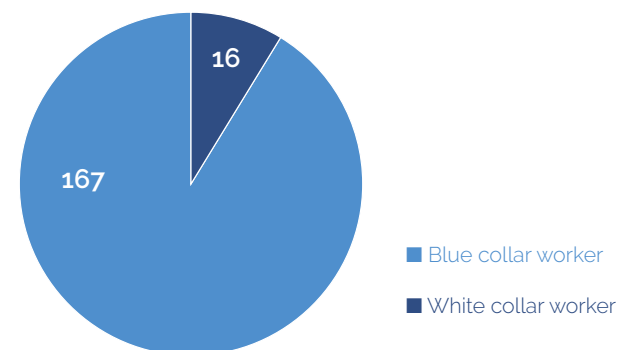
Kaizen Forms	Implemented Kaizen Ideas
84	69

Overtime in 2021

Total overtime	Average annual number of overtime per employee	Average monthly number of overtime hours per employee
10 884 hours	30 hours	2,5 hours

Individual development plans completed in 2021

Total number of completed individual development plans	
183	50.97 % of all employees

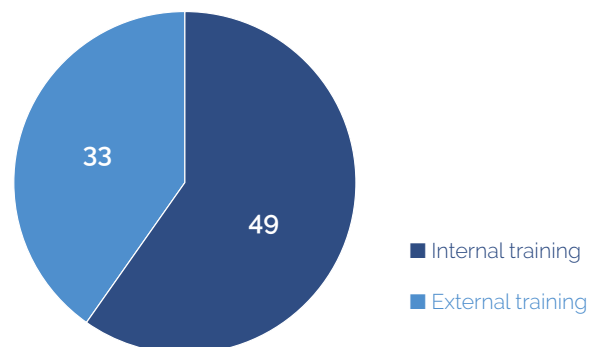


TRAININGS

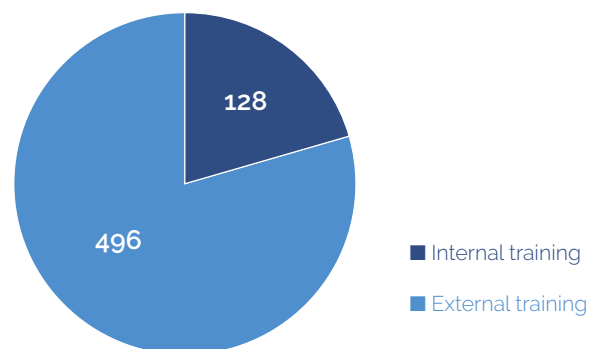
Key development measures:

All trainings topics	Training hours	Trained persons
82	624	874

Trainings topics in 2021



Training hours in 2021

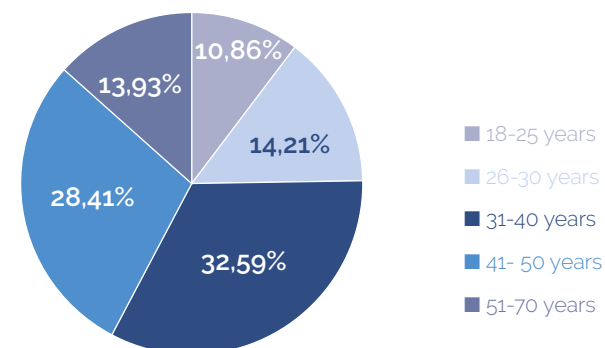


Etisoft's headcount structure is as follows:

Headcount for the end of 2021		
Headcount	359	
Women	174	48,47%
Men	185	51,53%
Disabled employees	8	2,23%
Average age	38,5	

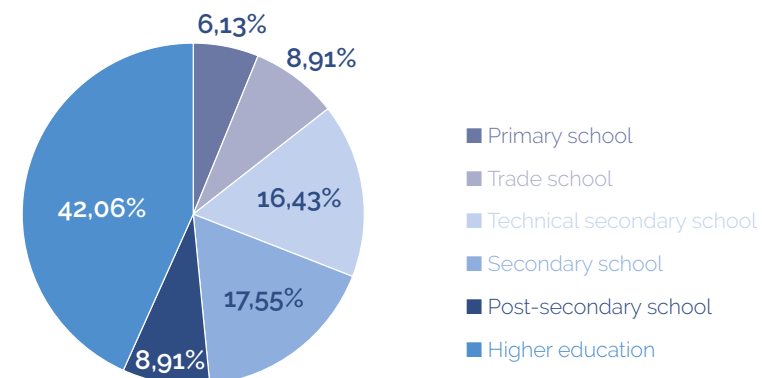
18-25 years	39	10,86%
26-30 years	51	14,21%
31-40 years	117	32,59%
41- 50 years	102	28,41%
51-70 years	50	13,93%
Employment contracts	359	

Distribution according to age





Distribution according to education



Distribution according to education		
Primary school	22	6,13%
Trade school	32	8,91%
Technical secondary school	59	16,43%
Secondary school	63	17,55%
Post-secondary school	32	8,91%
Higher education	151	42,06%

#LET'S TAKE CARE OURSELVES

- Since the beginning of the COVID-19 pandemic we have provided essential personal protective equipment (masks, disinfection liquids) to our employees. We also disinfect the premises.
- We allow employees to work remotely where possible. At production workplaces we have introduced a mode of work that makes it possible to maintain distance and not to mix groups of employees from different work shifts.
- We promote vaccination against the flu and COVID-19.

WORK WITHOUT BARRIERS

We employ people with disabilities, including those with hearing and speech impairments.

AWARDS AND DISTINCTIONS

Our HR activities have been recognized in 2021 with the HR Highest Quality award granted by the Polish Human Resources Management Association and a distinction in the "Family Friendly Company / Human Friendly Company" competition organized by the Humanites Institute.



EXTERNAL CUSTOMER SATISFACTION SURVEY AS AN ELEMENT OF DEVELOPMENT

CUSTOMER SATISFACTION

Key measures

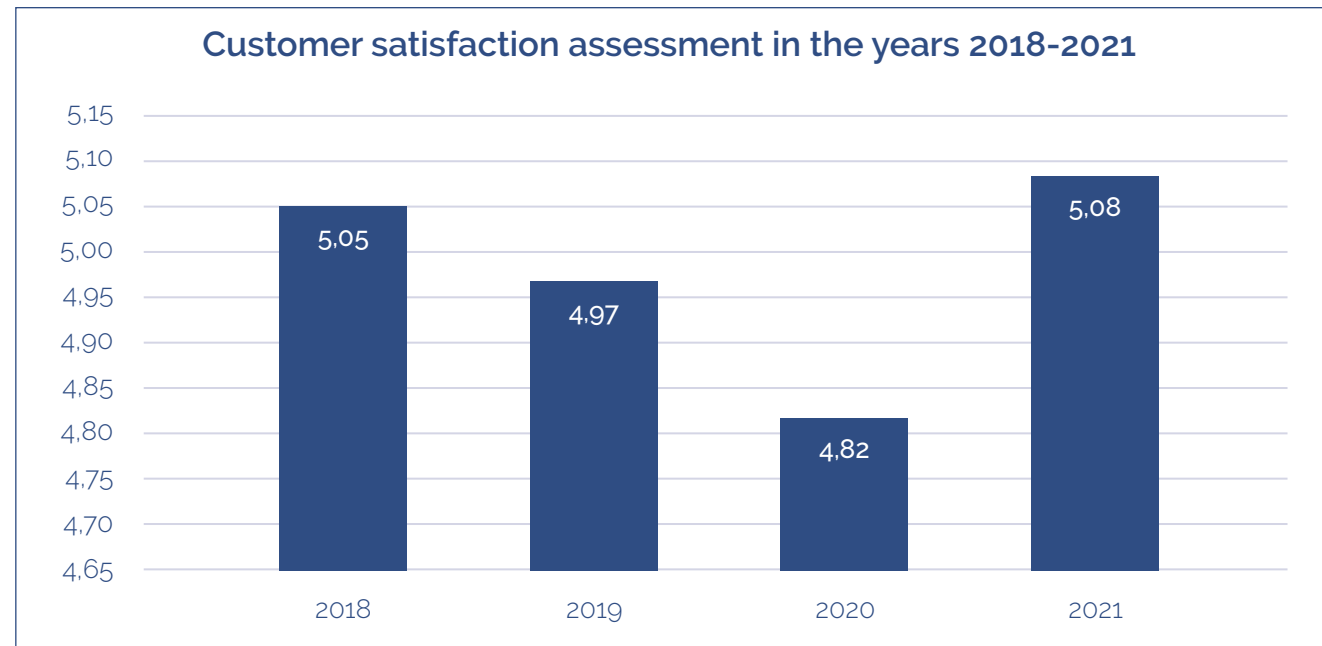
- In order to provide high quality of customer care, we conducted a Customer Satisfaction Survey at the end of December 2021.
- The Survey was conducted in a group of 47 clients.
- Customer Satisfaction Survey Report provides an overview of the satisfaction of Etisoft customers with a range of services offered by Etisoft.
- The survey was consisted of 20 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. Quality.

Questions 8- 16 concern activities of the Marketing Division and were related to the marketing activities undertaken by Etisoft in the last year (rebranding, new (rebranding, new website, publications in internal and external media, media advertising, customer newsletter).

Questions 17-20 concerned the assessment of specific activities of the Commercial Division

and were aimed at the improvement of daily operations (improvement and development).

As a result, the level of customer satisfaction in 2021, amounted to 5,08.



The 2021 Customer Satisfaction Survey shows that the satisfaction level remains high and has increased in every surveyed area.

ETISOFT FOR SOCIETY, SURROUNDING AND ENVIRONMENT

We join and support initiatives and undertakings which are in line with the company's DNA and the profile of our activities. These are, above all, activities related to sport, healthy lifestyle according to the idea of work-life balance.



ETISOFT
biketeam



ETISOFT
fishingteam



ETISOFT
futsalteam



ETISOFT
sailingteam



ETISOFT
skiteam



ETISOFT
runningteam



Sport

There are six sports groups operating under the Etisoft banner. We encourage employees to engage in different forms of activity (running together, cycling, participating in competitions). In 2021, we organized a yachtsman course for our employees.



Youth

- We engage in supporting sports activities of young people from the Jaworzyna Śląska Community Sports Club and its cycling section.
- We promote young poets - once again, we supported the publication of the "Anthology of Children's and Youth's Poetry" - an initiative of the Primary School No. 30 in Zabrze.



Charity

For the sixth time we organized a collection of gifts for homeless animals among our employees. Within the framework of our "A warm blanket on a winter night" campaign, we donated almost a ton of food to the Przystań Ocalenie Foundation in Ćwiklice.



Environment

At Etisoft we promote pro-ecological attitudes. We organized a knowledge competition among our employees on the FSC certificate held by Etisoft. Almost 90 people participated in the competition.

ENVIRONMENT

Observing global climate change and the constantly increasing role of business environmental undertakings, we are activating our actions in this area. We feel fully responsible for the quality of our performance and impact on the ecosystem, hence the ongoing monitoring and measures we are taking with the future in mind. Replacement of the machine park, waste segregation, proper waste management, recovery and recycling of electrical equipment, batteries, packaging from the market etc. were reflected in the decision of the President of the City of Gliwice. One proof of our commitment to sustainable development is the gradual replacement of Etisoft's vehicle fleet with hybrid vehicles.



We initiated it in 2021. Currently, 59% of the company cars are hybrid.



Performance of environmental measures for 2021

Quantities of hazardous and non-hazardous waste produced:

No.	TYPE OF WASTE	2019		2020		2021	
		AMOUNT (Mg)	AMOUNT	AMOUNT (Mg)	AMOUNT	AMOUNT (Mg)	AMOUNT
			to be paid NET PLN		to be paid NET PLN		to be paid NET PLN
1.	Hazardous waste	11.494	22,969.50	11.583	56,896.00	12.386	74,949.00
2.	Non-hazardous waste	4.683	10,548.05	2.343	8,483.5	2.739	10 971.00
3.	Non-hazardous waste (technological waste)	578.92	211,305.80	569.43	316,033.65	624.89	431174.1
4.	Non-hazardous waste (collected free of charge)	0.605	-----	1.634	-----	2.057	-----
5.	Non-hazardous waste (collected free of charge), transport fee	-----	-----				
	for paper collection			32.55	14 105.00	11.480	16,430.00
	for stretch film			9.84	2 635.00	9.630	4,650.00
6.	Non-hazardous waste (technological waste (d 21), fee for transport of a 2.5 m3 container	-----	-----	-----	-----	-----	14,040.00
TOTAL:		595.70	244,823.35	627.38	398,153.15	663.18	552,214.10
7.	Non-hazardous waste (for segregation of which we receive fees):	53.73	16,550.80	2.03	2,662.00	21.520	3,228.00

The quantities of municipal waste produced:

2019		2020		2021	
Amount (m3)	net AMOUNT to be paid	Amount (m3)	net AMOUNT to be paid	Amount (m3)	net AMOUNT to be paid
461.10 including: Szara 21 - 297.50 Sowińskiego 11 - 135.00 Jeziorańskiego 39 - 28.60	26,282.7	384.70 including: Szara 21 - 240.00 Sowińskiego 11 - 115.00 Jeziorańskiego 39 - 29.70	32,794.35	248.60 including: Szara 21 - 95.00 Sowińskiego 11 - 125.00 Jeziorańskiego 39 - 26.60	27,346

ANTI-CORRUPTION

HONESTY AND TRANSPARENCY

We believe that our business can thrive in communities where human rights are protected and respected, in accordance with national laws and regulations. Our policy on the protection human rights is based on the International Charter of Human Rights and on the fundamental principles specified in the Declaration of the International Labor Organization. As a member of Global Compact, a UN organization, we are committed to respecting all human rights that pertain to our activity. We respect the provisions of these documents and require our suppliers to do the same.

Fair organizational practices

Code of Ethics

In 2021, we have created the Etisoft Employee Code of Ethics. It organizes and names what is significant from the point of view of the employer as well as the employee. The purpose of the document is to perform the role of a guideline indicating standards of behavior in employee relations. This is our mutual commitment to



the quality of the relationship between our co-workers, or employer and employee. A procedure has been created, along with the Code of Ethics, to support compliance with the Code of Ethics and regulate the principles for reporting irregularities associated with violations of its provisions.

Supplier Code of Ethics

We have an extensive and diversified supply chain, and we also recognize the vital role that our suppliers play in helping us to cooperate fairly and sustainably in this area. These principles apply to both the suppliers of goods and services, and they are equal to the values in force at Etisoft. Thus, the

existing Etisoft Supplier Code of Ethics presents the attitudes which should be fundamental for fair and sustainable cooperation.

Anti-Corruption Policy

We have established uniform principles of dealing with, preventing and counteracting fraud committed against the Company. They also include activities that are non-compliant with the principles of running a company in a transparent, ethical manner and in accordance with the rules of fair competition. The purpose of the Anti-Corruption Policy is also to ensure that the Company acts in a transparent manner towards our business partners.

ETISOFT

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