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## **DIVERSITY AND NON-DISCRIMINATION POLICY**

#### PURPOSE OF THE POLICY

Diversity and Non-Discrimination Policy provides guidelines for creation and practical implementation of human resources diversity management and promoting positive culture at work based on personal abilities and qualifications, without discrimination and harassment.

Diversity management implies a systematic and planned commitment of the Institute to attracting and retaining employees with different profiles and capabilities with a view to achieving higher competitive edge through the inclusive work environment and team work.

Diversity and Non-Discrimination policy is aimed at improving understanding of the impact of diversity in all stakeholders of the Institute by defining goals, roles, responsibilities and monitoring measurable performance indicators.

#### WHAT DIVERSITY MEANS FOR THE INSTITUTE

Diversity covers differences in ethnicity, nationality, gender, functions, competences, language, religion, lifestyle, culture, and intellectual and other abilities of employees.

Diversity management in this context is a voluntary effort of the Institute to recognize and involve persons with different characteristics to ensure innovation, creativity and adaptability, achieve long-term business success and thus contribute to the goals of non-discrimination.

## **GUIDING PRINCIPLES**

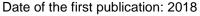
Acceptance and fostering diversity and non-discrimination as key values for sustainable development of the Institute are implemented through three important segments: organizational culture, management and employees.

Diversity fostering requires inclusive work environment in which:

- employees are encouraged to continuously improve business and evaluated in accordance with their contribution
- cooperation and difference of opinions are respected
- creative solving of problems and finding new opportunities are appreciated
- diversity is utilized and promoted.

Managers should ensure that diversity is respected and fostered in work of their teams.

It is necessary to build competences of employees for work in different work environments, and to check such abilities of new employees.



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#### **GOALS**

Goals of this Policy and the Action Plan are grouped in five key areas: diversity management, recruitment, selection and retention of employees, work environment, communication and training, and balancing of private and business life. The goals are as follows:

KEY AREAS	GOALS
Diversity management	Principles of diversity and non-discrimination are actively fostered and promoted at all levels of workplaces in the Institute.
Recruitment, selection and retention	Employees and jobseekers have equal access to jobs in the Institute and are equally treated in the processes of selection and advancement.
Work environment	Diversity principles are integrated in the performance management process and in the training and advancement programmes.  Managers and employees have skills and knowledge necessary to prevent any harassment or violent behaviour.
Communication and training	Diversity and Non-Discrimination policy is accessible to all the stakeholders of the Institute and its principles are understood and supported by all of them.
Balancing of private and business life	The Institute has a flexible work schedule which enables employees balancing their private and business lives and continuous support of personal advancement.

## **ACTION PLAN**

Action Plan is an integral part of Diversity and Non-Discrimination Policy. It presents in detail measures per key areas and goals in certain periods, and specifies responsibilities, time frames and measurable performance indicators. Annual performance indicators will be reviewed by the Management Board once a year.

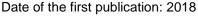
# **ROLES AND RESPONSIBILITIES**

All employees of the Institute have an important role in creating the work environment in which diversity is valued. They also contribute to implementation of diversity principles on their working places so that the Institute can have a desirable work environment and organizational culture that reflects all the stakeholders.

All employees are responsible for support and maintenance of organizational culture of the Institute, including its commitment to diversity management at work.

Managers are responsible for recognition, connection and utilization of diversity with the view to maximizing business success of the Institute.

Legal, Personnel, General Administrative Services & INDOC are responsible for regular updating the human resources database and provide reports that are the basis for setting measurable goals, progress tracking and reporting on diversity and equal opportunities.



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The Management is responsible for the development of measurable goals of diversity policy and of strategies for their implementation. They also track the progress of measurable goals implementation using mechanisms for tracking, evaluation and reporting.

#### MEASUREMENT AND EVALUATION

Authorized person shall once a year:

- evaluate efficiency of implementation of measurable goals related to diversity in previous year
- recommend changes of measurable goals, roles, responsibilities, measures and mode of implementation in accordance with results
- suggest a revision of Action Plan
- verify conformity of guiding principles, policy and goals with relevant legislation to maintain the best legal practice.

Based on this evaluation and recommendations Management Board will decide on revision of the existing documents.

## REPORTING

All stakeholders can access this Diversity and Non-Discrimination Policy via internet or intranet. Once a year the Management will track progress of implementation of measurable goals and if necessary report about changes.

Each year Sustainability Report will specify:

- measurable goals for the reference period and progress achieved in their implementation
- results of employee satisfaction survey
- proportion of women employed in the Institute and in the Management.

## NOTE

The Institute is a signatory of Diversity Charter, a voluntary initiative of companies which promote implementation of diversity and non-discrimination principles as fundamental values of modern society.

Diversity and non-discrimination policy is a positive practice of the Institute based on internal rules (Rules of Employment.), Croatian legislation (Labour Act and Anti-Discrimination Act), General Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, UN Global Compact (initiative for corporate social responsibility) and UN Guiding Principles on Business and Human Rights.

KONČAR – Electrical Engineering Institute, Ltd. Managing Board