

COMMUNICATION ON PROGRESS

2011

JOINT LATVIAN – UK COMPANY ZYGON BALTIC CONSULTING LTD

Date: **January, 2011**

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Zygon Baltic Consulting
ZBC
Latvija



Riga, 5th January, 2012

Communication on Progress

In 2004, “Zygon Baltic Consulting” Ltd became the member of the United Nations Global Compact. We have recognized its strategic policy initiative and accept the ten principles of human rights, labour, environment and anti-corruption within the sphere of our activity.

With this communication, we express our intent to continuously support these principles in our business and social activities.

This Communication on Progress for 2011 is a statement of our commitment.

Sincerely yours,



Mrs Elvita Rudzate

Member of the Board

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1. THE COMPANY PROFILE

Company Name	Zygon Baltic Consulting					
Organization	Ltd					
Legal Address	Pulkv.Brieza street 19/1					
ZIP code, City	LV 1010, Riga					
Country	Latvia					
Telephone	+ 371 67321615					
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E-mail	zygon@zygon.lv					
Website	www.zygon.lv					
Year of establishment	1998					
Date of legal registration	May 20, 1998					
Country of registration	Latvia					
Legal Structure:						
Sole proprietorship	State-owned	Non-profit	Corporation	NGO	Commercial	Other
					Joint Latvian – UK Private Limited Liability Company	

KEY CONTACT:

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2. OVERVIEW

History of the company starts back in 1996 when “Zygon Consulting”, a company from the United Kingdom, launched a project with the “Latvian Chamber of Commerce and Industry” to introduce the Quality Management System according to the international standard ISO 9000. The project built strong associations between the colleagues from Latvia and Great Britain and as a result the company “Zygon Baltic Consulting” (hereafter - ZBC) was founded on the **20th of May 1998** in Riga, Latvia.

The scope of supply according to our certified Quality Management System is “Consultancy and professional training in quality, environmental, occupational health and safety, human resources, strategic, food safety and project management, as well as implementation of international standards. Person certification.”

In 1999 and 2000, ZBC received **the awards** “*Consultant of the Year 1999*” and “*Consultant of the Year 2000*” from the Latvian Association of Business Consultants. At present, we are on the Board of Association.

In 2002, ZBC established **the Training Centre**. Currently, we organize seminars and training courses on the following themes: Quality management, Occupational health and safety, Human resource management, Environmental management, Food safety management, Strategic management (Balanced ScoreCard), Risk management, Project management, Business Excellence Model (EFQM), etc.

In 2004, “Zygon Baltic Consulting” Ltd joined **the Global Compact** to support the principles of human rights, labour, environment and anti-corruption within the sphere of our activity.

In June 2008, “Zygon Baltic Consulting” Ltd was recognized as an **Investor in Excellence**, a certificate awarded by Investors in Excellence Ltd (UK). The Investors in Excellence Standard is a proven external assessment framework helping organizations improve and is focused on achieving what matters most for the organization, its customers, people and other stakeholders.

We are **members** of the following organisations in Latvia:

- Latvian Association of Personnel Management;
- Latvian Adult Education Association;
- Latvian Association of Business Consultants;
- Latvian Quality Association.

In 2011, ZBC started negotiations and formed partnership with the Department of Education, Culture and Sports of Riga City Council and several secondary schools in Riga for cooperating in social projects focusing on professional training activities for integration of socially disadvantaged youth in labour market. The project was not approved in the call of tenders 2011, however, the established cooperation will continue in potential projects in the future.

3. TEN PRINCIPLES OF THE GLOBAL COMPACT

3.1. HUMAN RIGHTS

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*”.

ZBC supports the principle of human rights and has implemented **the Policy of Personnel Management** in the company which is aimed at long-term working relationship with employees, high personnel satisfaction, high personnel competence and satisfaction with the professional training.

The staff employed at ZBC have signed employment contracts that define their rights and responsibilities. The company observes the employer’s obligations and make social insurance contributions for its employees as it is stated in the Law “On Mandatory State Social Insurance Contributions”. ZBC supports the right for health care and provides **health insurance** for its employees, as well as safe and healthy working conditions.

ZBC proclaims the right for work and education. The company encourages further education and **life-long learning** both for the employees and the clients. Each employee holds the responsibility of his or her own initiative and interest to look for appropriate training courses, seminars or conferences in the professional area of interest. The company supports both the national and international training according to the current priorities and available funding.

In the period 2010 - 2011, ZBC has been involved in the lifelong learning initiative supported by the European Social Fund and administrated by the State Employment Agency, aimed at **professional education** of the employed people facing the risk of unemployment. ZBC have been providing 4 educational programmes for the target group: Human resources management, Quality management, Entrepreneurship and Self-employment, and Work Safety. More than 200 people have already been trained. In 2012, the activity is still in the process.

ZBC **supports social and educational activities** of a non-governmental educational organization Socrates' Folk School (Latvia) by providing it with premises and technical equipment (computer, multimedia projector, copying machine) for training. Socrates' Folk School provides informal education for adults and children.

3.2. LABOUR STANDARDS

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”*.

Upon entering the employment relationship at ZBC, both parties, the employee and the employer, sign **the Employment Contract** which has been drawn in accordance with the Law of Labour of the Republic of Latvia stating the terms and conditions of the main responsibilities, salary, working time, the annual paid leave, settlement of disputes, termination etc. No practice of forced or compulsory labour or child labour has ever been applied within the company and no discrimination of gender, nationality, age, religion or any other kind has ever occurred. These principles are strictly observed within the company.

The company promotes labour standards by **organizing training courses** and educating people on a number of issues concerning labour and employment: legislation, work relationship management, the role of the human resources manager, documentation management, including safety of documents.

Labour safety is an integral part of the Regulations of the Company. The employees have to observe the labour safety instructions and take part in internal monitoring of

the working environment and inform the person in charge of labour safety on any risks, accidents or emergencies of the working environment at the company.

According to the international standard OHSAS 18001 **Occupational Health and Safety Assessment Series** ZBC has been implementing systems of occupational health and safety in a variety of organizations. The occupational health and safety (OH&S) system enables the organization to control its risks and improve the performance. It is applicable to any organization that wants to eliminate or minimize risks to its employees and other parties who might be exposed to these risks. The system facilitates management of OH&S risks associated with the business of the organization. This includes the organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, reviewing and maintaining the organization's OH&S policy.

In 2009, ZBC finalized the project "**Trade Union as Defensive Mechanism of Labour Market in Free Labour Force Mobility**". The project was implemented in 2006-2009 in close cooperation with the Free Trade Union Confederation Latvia and project partners from Ireland, Germany, Spain, Denmark, and Sweden, within the framework of Leonardo da Vinci programme. As a result, two training programmes were developed for promotion of better integration of workers in the national labour market in terms of workers' mobility. The direct target group of the project were Trade Union members, students of vocational schools, and the unemployed. The aim of the project facilitated development of the European labour market with the project focus on increasing the knowledge and awareness about conditions and factors of the labour market in each of the partner states.

3.3. 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*”.

ZBC has not undertaken any action that could cause harm to the environment. Since the scope of our activity is training and consulting services, no manufacturing processes take place.

Being environmentally responsible, ZBC is involved in environmentally friendly activities by delivering office paper for **recycling and refilling** its cartridges of copiers and printers. We know that waste paper is a resource and recycling permits us to save our forests, save energy and reduce emissions into atmosphere and water.

Since 2010, ZBC has been providing **consultant support services** for a company SIA “Tenachem” (Latvia) which produces sealants and construction chemistry. The project includes development of a programme for prevention of industrial accidents and a civil defence plan in the following stages:

- Analysis of the source data, visits to the object, assessment of the object and situation;
- Development of process documentation;
- Identification of potential risk sources and assessment of likelihood and consequences of the accident;
- Development of documentation (the programme for prevention of industrial accidents and the civil protection plan).

The developed programme includes information about hazardous substances used in the company, technology processes using hazardous substances, objects which may cause industrial accidents at the company, the possible consequences of accidents, the safety system and organization of civil defence, efficiency characteristics of risk mitigation.

ZBC observes the principle of environment by providing services of developing and implementing **Environmental Management Systems** according to the international standard ISO 14001 in industrial enterprises. Implementation of such systems focuses on environmental policy, environmental aspects, monitoring, evaluation of compliance, preventive activities and other. As a result, the policy of Environmental Management System includes commitment to continual improvement and prevention of pollution; a commitment to comply with the applicable legal requirements which relate to the environmental aspects; to communicate to the people working for the organization; and to be available for the public. The organization has to identify the environmental aspects of its activities which it can manage to control and influence, and determine the aspects that have a significant impact on the environment. The organization has to ensure that these aspects are taken into account when establishing, implementing and maintaining its environmental management system.

3.4. ANTI-CORRUPTION

PRINCIPLE 10 “Businesses should work against corruption in all its forms, including extortion and bribery”.

The company observes the principle by a clearly defined and transparent system of examination, evaluation and certification of the candidates at the Personnel Certification Centre of ZBC. To exclude the possibility of conflict of interests, **the Certification Commission** has been formed. The aim of the Commission is to give a fair and objective evaluation of candidates according to approved certification schemes. An obligatory principle of the Commission is to observe the confidentiality. All examination papers and documentation are preserved in a safe place at the company.

The employees and subcontractors of the company observe **the Code of Good Working Practice** at ZBC which states the main principles of communication with the clients. The Code of Ethics for Consultants is binding and complies with the European Code of Ethics for Consultants approved by the Latvian Association of

Business Consultants. The Code of Ethics states that no financial or any other kind of interests may influence the quality of work. A constant objectivity is mandatory. Any information regarding the client's company is confidential.

In 2010, ZBC developed a new product – **the standard “Friendly Organization”** which clearly states and defines human values, seeks for education people on ethical issues and understanding of human, national principles, for coordination among personal aims and strategy of employees and that of the company – its mission, vision and policy. Because everything starts from the individual - if the person recognizes human values, including, anti-corruption, it affects work relations, the right motivation and cooperation. And as a result, a friendly organization can be formed on the basis of shared responsibility among employees. The standard, in fact, is in union with the principles of the UN Global Compact.

In December 2011, ZBC participated in a **meeting organized by the Employers' Confederation of Latvia**. The meeting focused on the 10th principle of the UN Global Compact and social responsibility. The participants were invited to share their experiences in business activities when they have encountered the problem of corruption and discuss ways to promote the anti-corruption principle. The participants agreed that the awareness started from each individual. The next meeting will be held in the beginning of 2012 and will be devoted to seeking solutions.