



INTERCULTURA COSTA RICA

Communication of Progress: 2012 Report

Statement of Continued Support

April 20, 2012

To our partners:

Intercultura Language and Cultural Center is pleased to continue to support the United Nations Global Compact. We are proud to have furthered efforts to improve our company and community through the Ten Principles of the Global Compact, as they relate to human rights, labor rights, environmental protection, and anti-corruption. We have committed to making the Global Compact and its principles part of the strategy, culture, and day-to-day operations of our company and commit to share the principles with our employees, partners, clients, and the public.

Though a modest, medium-sized company, we have implemented the processes as best we can to help us monitor our progress in achieving the goals set forth in the Ten Principles. We pledge to challenge ourselves and everyone around us – suppliers, customers, competitors, and neighboring businesses – to improve our global community.

In our annual Communication on Progress, we describe our latest actions to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Laura Ellington & Adelita Jiménez

Founding Directors



INTERCULTURA COSTA RICA

Communication on Progress:

HUMAN RIGHTS

- Intercultura supports and respects internationally proclaimed human rights by providing our employees with safe and healthy working conditions, employee training and incentives, protection of employee privacy, viable grievance mechanisms to express concerns, equal gender rights, published policy against sexual harassment in the workplace, encouragement of employee diversity, and through providing much needed services to our communities.
- We have developed an Occupational Health Policy Manual as a guide for employees regarding health and safety requirements in the workplace. It:
 - Provides employees with a safe working environment by ensuring all cleaning and working materials are safe and nontoxic;
 - Addresses fire prevention and emergency procedures in case of fire, earthquake or tsunami;
 - Acts as a guide for our committee to prevent possible accidents and investigate any that do occur, and to ensure the Health Manual guidelines are followed;
 - Schedules periodic inspections of all workplaces and employees to prevent illnesses and mishaps.
- We value the individual skills of employees. We believe they are our strongest asset and strive to help them improve wherever possible by:
 - Continuing personal and professional development. This includes workshops, second or third language courses, and higher education programs.
- Our employees receive the best training and incentives our communities have to offer.
 - We currently finance two higher education programs, including aiding half of an entire master's program.
 - We currently finance over \$2,000 USD a year to further the education of our employees with no obligation to repay the company in any way except a commitment to remain with the company for 3 years upon finishing the degree.
 - We also allow employees paid time off to schedule further education, and 5% of our employees are currently taking advantage of these further education benefits.
 - All company employees can take free foreign language courses. Available courses include Spanish, English, German, French and Italian. 6.25% of employees have been sent to training workshops or courses to increase their ability in their positions and 5% of current employees have had programs



INTERCULTURA COSTA RICA

to study English in the United States financed, covering all costs, including study, lodging, food and airfare.

- We organize free courses in nutrition, first aid, exercise and other, aimed at promoting employee satisfaction and offer free continuing education in a variety of areas.
- Intercultura encourages its employees to relax with their coworkers. Twice a year we hold company social gatherings and/or outings for staff and homestay mothers, with gifts and raffle prizes.
- 100% of employees receive the 13th month Aguinaldo pay as mandated by Costa Rican Labor Law, equal to one month's extra salary.
- 80% of management and office employees receive additional financial bonuses for their work, totaling \$6400 last year and \$3400 to date this year.
- We have grievance mechanisms set in place. We have trained administrative employees who handle complaints. Periodically, an outside trained psychiatrist leads our employees in workshops include a review of anonymous comments regarding their employment and evaluation of staff and school directors. The trained professional works with management to improve the matter.
- Intercultura also abides by all aspects of Costa Rican Labor Laws, which includes the grievance mechanisms set up by the Labour Ministry. To date we have never had an official complaint filed against the company through the Labour Ministry or any other governmental organization.
- Our company prides itself on being known as a cultural center, which provides equal opportunity and encourages cross cultural interaction among employees. Our diversity in age and gender is reflected in the chart below:

INTERCULTURA COMPANY EMPLOYEES (Heredia and Sámará Campuses)					
Age		Gender		Ethnicity	
18-25	19%	Male	39%	Costa Rican	55%
26-45	57%	Female	61%	Central American	3%
46-65	22%	Male Upper Level Management	29%	North American*	28%
		Female Upper Level Management	71%	South American	3%
				European	7%
				Other	3%

***This number refers to the English Department Teaching Staff, not to administrative staff.**

- Intercultura is committed to helping further international proclaimed human rights in our communities in all possible ways.



INTERCULTURA COSTA RICA

- We offer need-based scholarships to foreign teen students for our Teen Spanish Immersion in Costa Rica program; in 2012 we will help 5% of students with costs.
- As a commitment to our communities we provide nonprofit coordination of foreign volunteer programs and encourage students to get involved in the communities.
- We have significantly increased the volume of volunteers that we placed in 2011; currently we have 200 volunteers registered for 2012. They will be assigned based on program need and student interest among various non-profit community organizations and associations.
- On average, 40% of volunteers are involved in local schools, 25% with turtle conservation programs, 20% in national parks, 10% in orphanages, and 5% in rehabilitation centers.
- The Costa Rican Ministry of Public Education Program requested our help in sending them volunteer teachers for help in the public school systems.
- We donate between \$25 and \$40 per volunteer to the receiving organizations.
- Intercultura also houses and staffs only public library in Sámara, with a wide variety of books for children in both Spanish and English as well as books for adults in English, Spanish, French, German, Dutch, and Italian. The library is a free resource for the community. We offer free daily reading circle activities for local children, in English, French, German and Spanish.

LABOR

- Intercultura is categorically opposed to all forms of forced labor throughout all levels of the entire company.
 - Every employee is aware of the terms and conditions of their employment, the voluntary nature of their employment and their freedom to leave.
 - Intercultura is in accordance with all Costa Rican labor laws and employees are aware of their rights through the Labor Ministry.
 - Each employee knows his or her job description and employees are kept current, up to date, and involved in the decision process on any changes that may occur to their positions.
- Intercultura has never been charged with, indicated for, or in any way whatsoever involved in forced labor.
 - There exist no false promises or threats, and we do not engage in withholding wages under any circumstance.
 - Everyone in the company works with full knowledge of their pay rates, overtime rates, and time off policies. This information is readily available to all employees.
 - Employees conduct both their regular work and overtime hours of their own free will, and are reimbursed for any overtime.



INTERCULTURA COSTA RICA

- Management maintains current, annual research to confirm fair wages including living costs and wage rates for similar jobs in the industry to ensure our employees are receiving the highest salary they deserve and that the company can afford to pay. We consistently pay above the country-wide minimum and average wages for each position.
- We are committed to reducing all forms of child labor and exploitation within our network. Intercultura has adequate and provable mechanisms of age verification maintaining copies of every employee's official government issued identification cards and/or passports. For all employees, a minimum age of 18 is required.
- Through our volunteer program, we work with under-privileged youth via orphanages, rehabilitation centers and after school programs, helping keep children and young people off the street and in educational programs.
- We also ensure our employees are provided with enough work and high enough wages compared to living standards, so that adults are able to support their families. Therefore, children need not supplement the incomes of our employees. We have confirmed non-existence of child labor in our company as the chart below demonstrates.

INTERCULTURA COMPANY		
	Age Distribution of Employees	
	18-25	19%
	26-45	57%
	46-65	22%

- Intercultura also has a scholarship program for local school children to continue their studies and encourage them to continue their higher education with the goal that they will also become adults who earn enough to support their families and help eliminate the necessity of child labor income supplementation.
 - We currently offer 15 need and merit-based full program scholarships for our English as a foreign language courses.
 - We offer subsidized English classes to the entire community including a free children's English program.
 - The company also offers free German and French language courses to the local community. To date, there have been over 70 participants in our free language courses. By helping the community



INTERCULTURA COSTA RICA

further their language skills, we hope to reduce child labor and expand employment opportunities for these children once they reach adulthood.

- If Intercultura becomes aware of instances of child labor or exploitation we will take measures to halt the situation and also help educate the family.
- In 2013 we would like to further awareness within our community regarding the importance of education and keeping children out of the workforce by creating informative flyers or signs, and providing training sessions for vendors and the community regarding child rights and needs.
- In 2005 Intercultura collaborated to create the Association CREAR (Creatividad, Arte y Responsabilidad Social - creativity, art and social responsibility). CREAR is a non-profit organization hosted and funded by Intercultura, for the rural beach communities in and around Playa Sámará in Guanacaste, Costa Rica.
 - CREAR offers a wide variety of services to the local members of the community, primarily children, all completely free of charge.
 - The organization provides educational opportunities in the fields of technology, music, art, English, dance, theater, environmental education, horticulture, sports, values and academic support. In addition, it runs summer camps, women's empowerment/independence/nutrition workshops, and young adult apprentice programs.
 - CREAR took underprivileged students to the National Children's Museum, the Aquarium, Santa Rosa National Park and Africa Mía Safari during their yearly summer camp, completely free of charge.
 - Intercultura directly supports CREAR's current presence in the local schools 4 days a week in the form of an after-school program, and in general by providing free funding, office space, equipment, staff, volunteers and telecommunications.
 - This program is currently serving over 200 local students.
- We strive to continue eliminating forced and child labor throughout our supply chain and in the upcoming year aim to establish and implement further ways to work with partners to identify and avoid all forms of forced and child labor.
- In Heredia, our staff members are working with the Rahab Foundation to end sex trafficking of women and children for sexual exploitation through education and practical job skill training.

ENVIRONMENT

- In 2011, due to the company's continued leadership in beach, mangrove and river clean-ups, Playa Sámará received the *Bandera Azul* (Ecological Blue Flag) award from the Costa Rican government. Intercultura has been instrumental in developing local awareness of the environment by offering educational programs offered at no charge to community members and monthly recycling workshops for children in the local



INTERCULTURA COSTA RICA

schools. In addition, over 100 local mothers participated in a free workshop in August 2011 sponsored by Intercultura, to learn how to better reuse and recycle materials.

- Intercultura also takes a precautionary approach to caring for the environment:
 - We try to create as little waste as possible, replacing the paper towels in the bathrooms with environmentally friendly air hand dryers, replacing regular sink faucets with water-saving faucets, and encouraging the three R's of Reduce, Reuse, Recycle.
 - We invite students to bring recyclable items from their lodging to the school for recycling.
 - We strive to reduce impacts on the environment by helping society to develop an environmentally sound materials cycle.
 - We foster a sustainable society by promoting the 3Rs in all our business activities.
 - We reduce our waste by composting organic and food wastes, using real flatware versus plastic.
 - We do not overuse lights and air conditioning units, and always turn off all electronics when not in use.
 - In late 2011, we instituted a policy whereby all food vendors must use reusable plates, utensils and cups on our campus; this has significantly reduced the amount of waste the student body creates.
 - We reuse waste by giving usable waste materials to Association CREAR for use in art and science classes (glass jars, egg cartons, plastic lids, toilet paper rolls, plastic bottles, etc.), we also reuse paper, turning used paper into scratch pieces for notes or class activities.
 - We also donate to the local community, offering used but working-condition items such as televisions, washing machines, CD players and zinc roofing sheets to locals at no cost.
 - We recycle all possible materials and have recycling bins available on our campuses. We also recycle and reuse as much water as possible in use in our gardens and grounds. For 2013, we aim to have in place mechanisms for measuring and monitoring the amount of waste reduced, reused, and recycled. We also aim to install rain-water collection tanks, to be used for gardening and the toilets.
- We engage in the public discussion regarding community environmental issues, and are in the process of creating an environmental awareness committee. The committee will help the company stay up to date regarding environmental issues and visualize new ideas for improving our personal protection of the environment.
 - We have employees represent our environmentally friendly views in municipality meetings regarding environmental issues and have had zero incidents, issues, or fines due to environmental sanctions.
- We support ecological protection and other environmentally friendly organization. In 2011, our Samara campus donated a total of \$500 to beach cleanups and maintenance. We organized and led monthly beach



INTERCULTURA COSTA RICA

cleanups throughout 2011 and collected hundreds of bags of garbage, some that we recycled. The company donated a total of 1,512,588 Costa Rican colones (over \$3,000USD) to various community organizations including local public schools, community churches, for children who want to participate in national athletics, tree planting projects, community clean-ups, recycling centers, child orphanages, animal shelters, and environmental reserves.

- We regularly send volunteers to help with turtle conservation programs and national parks.
- We loan our beachfront stage to any community organization, association or public school that needs it for graduations, activities, meeting, etc, free of charge.
- Intercultura recently joined the board of directors of the Sámara Tourism & Community Development Board, leading the Sustainable Development Project in a variety of initiatives (see current projects on <http://samaratouristboard.org/projects/projects-current-and-future/>).
- We donate space and audio equipment for community meetings with local government officials and have taken a leadership role in development of the local area by educating local residents about environmental, construction and city planning.
 - Through consistent communication efforts with local residents and governmental agencies, we were able to gain additional police officers and a vehicle for the community in late 2011 and currently offer free English classes to the entire police force.
 - In March 2012, we organized a meeting to inform residents of government development plans for the area and organized transportation for them to attend the municipality meetings that directly impact their livelihoods and homes.
 - We have taken an active role in the municipal council to improve transparency in governance, and to implement a 30-year plan that prioritizes environmental protection, social development and sustainable infrastructure development.
- In late 2011, we donated space on our campus to build wood workshop space for INA (Instituto Nacional de Aprendizaje). The classes are offered free of charge and train locals how to reuse wood to create souvenirs and furniture, thereby generating additional income possibilities for local families, as well as opportunities for artistic expression. Over 75 local men and women have attended courses.

ANTI-CORRUPTION

Intercultura is committed to fighting all forms of government corruption. We strive to eliminate corruptive actions by filing official complaints, documenting corruption with real photographs and witness records and creating as much objective input as needed to begin the process of change. We commit to continue and to further our



INTERCULTURA COSTA RICA

involvement in the struggle against corruption and in the upcoming year hope to have solid examples of change to report in our 2012-2013 UN Global Compact Communication on Progress Report.

Intercultura started the Sámara Security Committee in 2011, which works in conjunction with local authorities to eliminate police corruption and improve public security efforts in our town. We have denounced inhabitants engaging in illicit activities such as bribery of government officials aimed to cover up environmental abuses and allow the perpetuation of enrichment at the cost of the environment.

LOOKING FORWARD

In the upcoming year, Intercultura commits to furthering the goals of the UN Global Compact and seeks better ways to address, report on, and share the Ten Principles. Some specific projects we hope to complete include:

- Complete creation of environmental awareness committee to further staff participation in environmental endeavours;
- Participate in the creation and distribution of information regarding children's rights and needs, particularly in the Guanacaste area;
- Aid in the formalization of the town Recycling Project (originally started by town members with sponsorship from Intercultura and CREAR) and now run by the local municipality;
- Create a system to reusing rain-water to provide water for toilets and grounds maintenance;
- Install Solar Panels to provide reusable energy for the school;
- Assist in funding and maintaining a new town park in Sámara, with children's playground, benches and planting of trees and plants;
- Assist in the Municipality's project to create a boulevard in the central are of Heredia, creating a safe, culturally attractive area for pedestrians in the town's historic center;
- Partially sponsor the installation of security cameras in Heredia and Sámara, to aid in the fight against petty crime;
- Reinstate the monthly workshops with visits by psychologists from San José to the rural Sámara campus, to work on self-esteem children's rights, and other pertinent issues for the town's younger population;
- Begin a series of workshops for children and women, designed to address the increasingly problematic issue of domestic violence in Sámara and provide tools to combat this crisis.
- Initiate and fund a town reforestation project, increasing the number of trees planted by the school throughout the town's public areas and setting up a process to care for these trees, in conjunction with the Costa Rican Tourist Institute's Ecological Board.