

# COMMUNICATION ON PROGRESS

**2006-2007**

## JOINT LATVIAN – UK COMPANY ZYGON BALTIC CONSULTING LTD

Date: **October, 2007**

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Zygon Baltic Consulting  
**ZBC**  
Latvija



Riga, 10 October 2007

**Communication on Progress**

I am pleased to confirm that „Zygon Baltic Consulting” Ltd supports the ten principles of the Global Compact.

With this communication, we express our intent to continuously support these principles within our sphere of influence.

We submit our report of Communication on Progress for 2006 – 2007 as a statement of this commitment.

Sincerely yours,



Mrs Elvita Rudzate

Executive Director

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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 7321615					
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E-mail	<a href="mailto:zygon@zygon.lv">zygon@zygon.lv</a>					
Website	<a href="http://www.zygon.lv">www.zygon.lv</a>					
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:

Name	Mrs. Elvita Rudzate
Position	Executive director, Member of the Board
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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. Providing of occupational health and safety services in accordance with the Regulation No.101 of the Cabinet of Ministers of the Republic of Latvia “Regulations on requirements for competent institutions and competent specialists in work safety issues and order of competency determination”.

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 2005, **the Work Safety Provision Centre**, the Competent Institution in work safety, and **the Person Certification Centre** were established as departments of ZBC.

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 accordance with the above mentioned, we are also **members** of the following organisations:

- Latvian Association for Quality;
- Latvian Association for Environmental Management;
- Latvian Association of Personnel Management;
- Latvian Adult Education Association;
- Latvian Association of Adult Professional Education;
- Latvian Association of Business Consultants;
- Latvian Chamber of Commerce and Industry.

### 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”*.

Observing and supporting the principle of human rights, ZBC has developed **the Policy of Personnel Management** which is aimed at maintaining a long-term working relationship with the employees, a high level of the personnel’s satisfaction, a high level of the personnel’s competence and satisfaction with the professional training.

The Policy involves the issues of a competitive salary, duties and responsibilities corresponding to each individual’s qualities and perspectives for the personal growth, a safe and friendly working environment, and the individual plan of development. The Salary System defines the employee’s contribution and criteria of evaluation, that is - the competence (e.g., responsibility, professional experience, education), and is not restricted to gender, nationality or age in any way.

The annual evaluation of the personnel is organised in a form of interviews with the employee to find out the employee’s level of satisfaction with the work and evaluate his or her performance according to **the Model of Competences**. The needs and possibilities for future training and carrier development are discussed. The employees are invited to come up with suggestions and recommendations for the existing system of evaluation.

The company facilitates further education and **life-long learning**. An individual training plan for each employee is designed and reviewed on regular basis. Each employee holds the responsibility of his or her own initiative and interest to search for training courses, seminars or conferences in the professional area. The company

supports both the national and international training according to the current priorities and available funding to ensure a continuous quality of the services offered by the company. The Training Centre offers a wide range of training courses and seminars to the public.

According to **the Regulations of the Company**, the health insurance and bonuses are granted to each employee of the regular work after three months of the probation period. The employees take a responsibility to undergo the annual medical examination and inform the employer in cases if their state of health is found to be endangered by the working environment. Regular measures are taken to continuously improve the working environment at the company.



### 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 services, the main responsibilities, the salary (which is annually revised according to the results of Model of Competences), the 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 or any other kind has ever occurred. These principles are strictly observed within the company.

**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 specialist of labour safety on any risks, accidents or emergencies of the working environment at the company.

To actively support **the equal rights in employment**, ZBC has launched projects of social significance funded by the European Social Fund and the Latvian state. The recent projects (from 2006 – up to date) have been aimed at consulting and training socially endangered groups (the disabled, the unemployed, the single parents, the low-skilled and others) for self-employment and entrepreneurship. The projects comply with the principles of Priority 3 *“Human Resource Development and Promotion of Employment”*, Measure 3.3 *“Combating Social Exclusion”*, Activity 3.3.3 *“Consulting and Training for Development of Entrepreneurship and Self-employment”* of the

Single Programming Document to facilitate inclusion of socially alienated groups in the labour market. By the end of the projects, nearly a hundred business plans will have been elaborated. To ensure sustainability, the project coordinators have been trained and will continue dissemination of the knowledge in the local municipalities. The expected project outcome is integration of the socially endangered groups in the labour market.

In 2007, a project was launched in cooperation with the Mortgage bank of Latvia and in the framework of European Social Fund, Priority 3 “*Human Resource Development and Promotion of Employment*”, Measure 3.1 “*Promotion of Employment*”, Activity 3.1.3 “*Provision of training and financial support for entrepreneurship and self-employment initiation*” to provide business training, consultancy and funding in the form of grants **to initiate entrepreneurship and self-employment** in the state. ZBC organized training of 200 potential entrepreneurs and self-employed people for development of business plans and, consequently, undertaking of entrepreneurship or self-employment. The training covered the relevant subjects of entrepreneurship (registration, marketing, accounting, finances, labour legislation, personnel management, strategic management etc.). The long-term aim of the project was to facilitate development of the entrepreneurship and self-employment in the Republic of Latvia. In total, the project involved the target audience of 1000 people in the territory of Latvia.

Since 2006 ZBC has been involved in **evaluation of Community Initiative EQUAL** according to the terms of reference requiring analysis of the effectiveness of the key principles (equal opportunities and equality, empowerment, partnership, transnational cooperation, networking, dissemination, mainstreaming, innovation) analysis of good practice in the thematic fields, as well as assessment of thematic networking, dissemination and mainstreaming at the national level. The project finalizes in 2008.

<b>EQUAL priorities</b>	<b>Thematic fields</b>
Work ability facilitation	(A) Integration to the labour market
Equal opportunities for men and women	(G) Reconciling the family and professional life
	(H) Reducing gender gaps and desegregation
Asylum seekers	(I) Professional and social integration of asylum seekers

Since 2006, in cooperation with the Free Trade Union Confederation Latvia, the State Education Development Agency, and project partners from Ireland, Germany, Spain, Denmark, and Sweden, ZBC has been involved in the project of Leonardo da Vinci programme: “**Trade Union as Defensive Mechanism of Labour Market in Free Labour Force Mobility**”. The aim of the project is to develop 2 training programmes for promotion of a better integration of workers in the national labour market in terms of workers’ mobility. The direct target group of the project are Trade Union members, students of vocational schools, and the unemployed. The aim of the project complies with one of the strategic priorities of the programme - development of the European labour market, where the aim of our project is targeted towards incorporation of the labour force in the common European labour market increasing the knowledge and awareness about conditions and factors of the labour market in each of the partner states. The expected outcome of the project will improve the knowledge and competences of the workers in order to facilitate their integration in the labour market. Furthermore, the result of the project will also cover the aspects of gender equality including the rights of gender equality in development of the training programmes.

According to the international standard OHSAS 18001 – **Occupational Health and Safety Assessment Series** – ZBC has been implementing systems of occupational health and safety in enterprises; since 2005 we have also been providing services as the Competent Institution in work safety. 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 wishes to eliminate or minimize risks to its employees and other parties who might be exposed to these risks. The system facilitates management of the 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.

### 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 process takes place. ZBC observes the principle of environment by providing services of developing and implementing **Environmental Management Systems** according to the international standard ISO 14001 in production enterprises. Implementation of such systems focuses on environmental policy, environmental aspects, monitoring, evaluation of compliance, preventive activities and a continual improvement, etc. As a result, the policy of Environmental Management System includes a 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 all persons working for the organization; and to be available for the public. The organization has to identify the environmental aspects of its activities that it can 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.

Being environmentally responsible, ZBC is **a member of the Latvian Association for Environmental Management**. The aim of the Association is to unite the efforts of all stakeholders interested in promotion and implementation in Latvian enterprises and municipalities the patterns of sustainable consumption and production, systematic approach to environmental management and principles of local sustainable development. The main activities include on-site seminars for industrial enterprises

and local authorities to exchange experience in cleaner production and environmentally friendly activities; projects with local and foreign partners to build up a capacity in cleaner production, environmental management systems and principles of sustainable consumption implementation in Latvia; and the good practice examples of the implemented principles of environmental management.

### 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 the candidates according to the approved certification schemes. An obligatory principle of the Commission is to observe the confidentiality. All examinations and related documentation are maintained in a secure environment by the Personnel Certification Centre.

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.