

	Global Compact Asia <u>Lotus Holdings Pvt. Ltd. Nepal</u>
Company phone: 977-1-5000071 977-1-5000273 e-mail: info@lotusholdings.com URL: www.lotusholdings.com	Exemplary practice from Nepal
From the CEO's Desk	<p>With competition rising, inflation continuing to increase, fuel prices soaring, and the world feeling more unsafe to live in, we find ourselves almost helpless to contribute to make a difference. But regardless of all this - the world seems to continue to find a stable equilibrium with so many factors and parameters changing all the time. This thought is something that makes me do my bit, and makes me want my company to do its bit to mitigate problems and issues that we have in this one global world.</p> <p>We have been doing our bit; we want to continue to do our bit even though what we do may just be very little, but if we are all doing our bit, I feel we can actually be a powerful force that can successfully work together to have a super impact.</p> <p>I feel it is very important for the business community to be responsible for everything it does. The world cannot be a more stable place if people in general cannot achieve economic uplifting that directly or indirectly comes from employment. If more people get jobs, the less time for these people to indulge into counterproductive things. If employment such as this can be topped up with being ethical, the company definitely touches the environment, the workplace and the community to have a safe and successfully harmony among all the stakeholders it works with. It is for reasons like this, it is important that companies to do the right thing, and not only aim at making the right profit.</p> <p>Lotus Holdings will continue to do its bit in by following all the principle of the Global Compact as we feel that we are part of the team to make this world a better place. It will definitely be an continual effort!</p> <p>Ajit Bikram Shah CEO</p>
Company Name	Lotus Holdings Pvt. Ltd.

Reporting Period	FY 2006/2007 FY 2007/2008 FY 2008/2009 FY 2009/2010 FY 2010/2011 FY 2011/2012 FY 2012/2013
About the Company	<p>Lotus Holdings is a venture capital enterprise looking toward business growth through mobilization of both domestic and foreign investments.</p> <p>It has investments in diverse sectors such as Manufacturing, Business Process Outsourcing, Real Estate, Information Technology, Services, Healthcare, Pharmaceuticals and Hospitality and always adheres to the principle of social justice.</p> <p>Lotus Holdings started in 1998 as an investment company identifying entrepreneurs having difficulty and providing them support services in the form of finances, marketing, R&D and administration. This it does by providing or facilitating access to funds for the purpose of business start-up, growth or expansion.</p> <p><u>Vision</u></p> <p>Creation of successful business enterprises that would generate employment. It will work toward overall development of individuals directly or indirectly working with associated companies.</p> <p><u>Mission</u></p> <ol style="list-style-type: none"> 1. Identification of new business ventures. 2. Promotion of entrepreneurial ventures and aim for success, stressing on quality and business ethics. 3. Help LH associated companies achieve self-sustainability and growth. 4. Foster the spirit of corporate social responsibility (CSR) among LH associated companies and the business community at large and set up institutions working for welfare and overall development in social, educational and health. 5. Provide better employment opportunities and environment to semi-skilled and skilled manpower and work toward upgrading their skill. 6. Integration of underprivileged, particularly women and children, with new venture and to ensure economic benefits

	reaches all participants in a just manner.
Participating Companies within Lotus Holdings	<p>(A) Manufacturing</p> <ol style="list-style-type: none"> 1. Formation Carpets - Quality Carpets <p>(B) Business Process Outsourcing</p> <ol style="list-style-type: none"> 2. Flextecs Nepal - BPO <p>(C) Service</p> <ol style="list-style-type: none"> 3. Solutions Consultants <p>(D) Health Care</p> <ol style="list-style-type: none"> 4. Blue Cross – Full Fledged General Hospital <p>(E) Information Technology</p> <ol style="list-style-type: none"> 5. Everest Net - Internet Service Provider 6. Fiber Online – Internet Service Provider 7. Focusone Nepal – Mobile Applications Development 8. Jawalakhel Cable Network - Cable television distributor <p>(F) Real Estate</p> <ol style="list-style-type: none"> 9. Lotus Real Estate – Real Estate <p>(G) Hospitality</p> <ol style="list-style-type: none"> 10. Himalayan Hideaway – Adventure Accomodation

	<p>(H) Pharmaceuticals</p> <p>11. CTL- Pharmaceutical manufacturer</p> <p>(I) Finance</p> <p>12. Gorkha Finance</p> <p>(J) Social</p> <p>13. Hoste Hainse- Company Philosophy</p>
Corporate Social Responsibility Principles	<p>Human Rights</p> <p>The organization upholds human rights. Company policy adheres to the universal principle of human rights, the Constitution and Civil code of Nepal and the Labor Act.</p> <p>Labor Standards</p> <ol style="list-style-type: none"> 1. Zero tolerance policy against child labor. Minimum age for recruitment is 18. 2. Employees are compelled to send their children to school. 3. Wages as per the law and based on qualification. 4. Eight hours work day. 5. Bonus facility to employees (10% of net profit). 6. Day care center for younger children of employees. 7. Company policy is communicated to employees through quarterly meetings and interactions with employees. 8. Transparency in company finances and net profit information is periodically provided to employees. <p>Environment</p> <ul style="list-style-type: none"> • Ergonomic office space, comfortable seating arrangement and well-ventilated workplace. • Access to potable water. • Clean toilets with running water. • Periodic health, sanitation and safety training. • Environmental consideration foremost in company policy. • Saving paper and use of recycled paper. <p>Anticorruption</p> <p>Corruption free, non-discriminatory working environment</p> <ul style="list-style-type: none"> • Equal opportunity
Project Duration	From 1996

Background / Abstract	<p>Lotus Holdings (LH) was founded in 1996 by Mrs. Sulo Shrestha Shah, a Nepali woman entrepreneur. At inception, LH's aim was to provide incubation and support to its sister companies to promote responsible and ethical business practices. LH ensures outstanding quality of the products and services of its sister companies while ensuring sound working environment for all its employees.</p> <p>Realizing the immense opportunity in the fast growing sector, LH has brought forward venture investment. LH believes this form of investment in small scale industries would be beneficial for entrepreneurial development. The basic modality is to create an investment fund from interested shareholders. LH will ensure proper management of the investments through well defined reporting and consultative meeting structures.</p> <p><u>Core Values</u></p> <ol style="list-style-type: none"> 1. Capacity Building 2. Institutionalization of companies 3. Professionalism 4. Transparency 5. Social accountability 6. Information dissemination
Initiative	<p>Lotus Holdings (LH) with a diversified investment portfolio, is also an incubation specialist. LH is involved with entrepreneurs / producers who have difficulty in their area of business and has inclination towards the concept of CSR. It is the philosophy of LH to be the backstopping instrument to such people/organisations by helping them in their revival and restructuring, or opening new companies if necessary, and also providing investment where required. Lotus Holdings looks forward to maintain its growth strategy to accelerate its current development rate.</p> <p>Reporting system: A quarterly monitoring involves inspection of workplace inspection and interaction with employees.</p> <p>Health Insurance: All LH staff are insured with up to Rs. 50,000 per year for Out Patient Services, Rs. 10,000.00 per year for medicine services and Rs. 100,000 per year for hospitalization service.</p> <p>Hygienic Canteen: A subsidized canteen at company premises provides healthy food and drinks.</p> <ul style="list-style-type: none"> • Provident Fund for permanent employees. • 10% of company's net profit goes to employees as bonus. • Allowance for Dashain, Nepal's biggest festival.

	<ul style="list-style-type: none"> • Flexible leave facility on par with Nepal's Labour Act. • Maintained salary structure as per staffs qualification and dedication. • Provided consultancy service to Hoste Hainse, NGO working to eliminate child labor through education.
Challenges	<p>The instability of the government and the failure to draft the new constitution after the end of the monarchy has been causing a general slowdown in Nepal's economy. The challenge is increased by the ever growing double-digit inflation and the global economic crisis that has significantly decreased export sales throughout the country. With such problems, increase in CSR activities has been limited, but Lotus Holdings has not decreased its ongoing CSR activities to cut costs.</p>
Impacts and Benefits	<p>Due to the initiatives undertaken by the organization, it is now a more responsible organization geared towards not only raising its productivity but also contributing to the society through local Corporate Social Responsibility (CSR) initiatives. Staff morale has heightened and the company's productivity has increased. The image of the company, a leader in adopting CSR in the country, has improved noticeably.</p>
Future Plan	<p>The organization will continue to raise awareness, enhance skills and knowledge of its employees. Our previous strategy to establish an investment fund has been realized. Lotus Holdings is now even aggressively looking for opportunities into new sectors to invest.</p> <p>Pursuing a dream of a self-reliant, socially and economically developed society, Lotus Holdings believes in business with ethics. This has been the driving force behind the company and as it continues to grow into this millennium, it will remain in the business of helping people achieve these dreams.</p>