

COMMUNICATION ON PROGRESS

2012

JOINT LATVIAN – UK COMPANY ZYGON BALTIC CONSULTING LTD

Date: **January, 2013**

2 – 216 Elizabetes street
Riga, LV-1340, Latvia
Phone: +371 67321615
Fax: +371 67321770
e-mail: zygon@zygon.lv
www.zygon.lv

Zygon Baltic Consulting
ZBC
Latvija



Riga, 2nd January, 2013

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 2012 is a statement of our commitment.

Sincerely yours,



Mrs Elvita Rudzate

Member of the Board

TABLE OF CONTENTS

1. THE COMPANY PROFILE	4
2. OVERVIEW	5
3. TEN PRINCIPLES OF THE GLOBAL COMPACT	7
3.1. HUMAN RIGHTS	7
3.2. LABOUR STANDARDS	8
3.3. ENVIRONMENT	9
3.4. ANTI-CORRUPTION	10

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					
Fax	+ 371 67321770					
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:

Name	Mrs. Elvita Rudzate
Position	Executive director, Member of the Board
Contact Address	2 Elizabetes street, room 216
ZIP code, City	Riga, LV 1340
Country	Latvia
Telephone	+ 371 67321615
Fax	+ 371 67321770
E-mail	elvita@zygon.lv
Website	www.zygon.lv

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** and received 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** in the following organisations in Latvia:

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

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 supports the human rights 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 initiative 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 2012, ZBC was involved in **prevention of unemployment**, 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 provided the following educational programmes for the target group: Human Resources Management and Quality Management.

ZBC have been **supporting social and educational activities** of a non-governmental educational organization the Socrates' Folk School (Latvia) by providing it with premises and technical equipment (computer, multimedia projector, copying machine) for training activities.

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** in Personnel Management 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.

In 2012, ZBC started the initiative to support the idea of **social entrepreneurship** by providing premises and technical equipment for a non-governmental organization “Business Development Fund” to assist it in organizing training activities for NGOs or active individuals to promote the principle of social entrepreneurship. Social entrepreneurship incorporates the principle of social responsibility within its business and helps to solve some social problem.

ZBC has been implementing systems of occupational health and safety in a variety of organizations according to the international standard OHSAS 18001 **Occupational Health and Safety Assessment Series**. 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.

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“.

Being environmentally responsible, ZBC is involved in environmentally friendly activities by delivering office **paper for recycling**. We cooperate with the local paper

mill “Ligatne” who collect the waste paper free of charge and use it for recycling and producing new articles made of paper: office paper, packing material etc. Also, ZBC has been **refilling cartridges** for copying and printing machines. Recycling allows us to save our forests, energy and reduce emissions into atmosphere and water.

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 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”** and has been promoting the idea which clearly states and defines human values, educates 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. It is important to keep in mind that everything starts from the individual - if the person recognizes human values, including, anti-corruption, it affects work relations, the personal motivation and cooperation with others. As a result, a friendly organization can be formed on the basis of shared responsibility among employees. In October 2012, ZBC delivered a training course for our client’s organization on how to become a friendly organization, how to balance the employees’ life values and aims with the organization’s mission, vision, values, policy and strategy. We see that raising the individual awareness of ethical values is an integral part in the organization’s system of values.

The company observes the principle of anti-corruption 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.

In October 2012, ZBC took an active part in a **discussion organized by the Employers’ Confederation of Latvia**. The discussion was aimed at preventing the risk of corruption in organizations and their supply chains. The participants were the members of UN Global Compact in Latvia, as well as other organizations. ZBC Executive Director, Mrs. Elvita Rudzate presented her view on how to prevent corruption by raising the individual understanding of human values and ethical principles. The future business management should practice human values among other business principles. The presentation focused on such human values as friendly environment at the organization, high competence and responsibility, loyalty,

common aims, transparency, and altruism. Our vision towards anti-corruption is closely linked with raising the individual awareness of corruption and its effect on long-term business results and the individual example of the good practice on the leaders' part.