



Communication on Progress

Year: 2008/2009

STATEMENT

As a member of the Global Compact, we believe that our business policies incorporate the ten principles. Our board fully supports our actions in working towards sustainability goals – in particular those contained in the UN Global Compact – and endorse the future priorities and specific targets we set out in our report. Through our support of the United Nations Global Compact, we also aim to move the agenda forward on performance related to human rights, labour rights, the environment and the fight against bribery and corruption. Here we summarised the progress we have made against these principles and we will continue to follow them up in future.

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• **Global Compact Principle 1:**

Businesses should support and respect the protection of internationally proclaimed human rights;

Employment decisions at Ameria are based on merit, qualifications, and abilities. It is Ameria's policy to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, handicap, disability, sexual orientation, marital status, family responsibilities in accordance with applicable local law. This policy applies to all terms and condition of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

As of November 1, 2008 full-time staff earns annual leave of 28 calendar days. Accumulated earned and unused leave as of the date of termination is paid at the base salary rate then in effect.

Ameria grants sick leave to full-time staff members who are unable to work due to illness or injury. As a result, the absence due to illness policy is provided to protect staff against loss of income during unavoidable illness or injury.

No employee is penalized or retaliated against for requesting time off to vote. Time off to vote is not considered annual leave.

The duration of the paid maternity leave is 140 days (70 days prior to and 70 days following child delivery). Working mothers that have at least one year working experience receive a vacation partially subsidized for one year for childcare upon the written request to the Managing Director and by the decision of the latter.

Ameria recognizes that the skills and knowledge of its staff are critical to the success of the company. The Training and Educational Assistance program encourages personal development through a variety of opportunities so that staff can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within Ameria. All full-time regular staff members are eligible to participate in the program. Job specific and job related training opportunities are available after the staff member has been on the job for a minimum of six months. With the permission or at the recommendation of their supervisor, staff members are eligible to receive financial assistance for job specific and/or job related training combined. (*Ameria CJSC Employment Policies And Procedures Manual*)

• **Global Compact Principle 2:**

and make sure that they are not complicit in human rights abuses.

Ameria is committed to providing staff with a reasonably safe work environment that complies with occupational safety laws. Staff concerns in this area are promptly brought to the attention of the Managing Director.

Ameria office is non smoking environment, except in especially designated smoking spaces.

Ameria strives to provide a work environment that encourages staff to effectively and efficiently use their skills and promotes personal development. Continuous professional development of all staff members is extremely important to the career success of the individual as well as to the Company.

To attract and retain above-average staff, Ameria endeavors to pay salaries competitive with those paid by other companies comparable to Ameria and in the applicable labor markets in which we maintain operations. In line with this objective, Ameria periodically reviews its wage scales to ensure that they are kept in line with local as well as national economic conditions.

Ameria generally reviews its pay ranges annually and makes necessary market adjustments. (*Ameria CJSC Employment Policies And Procedures Manual*)

- **Global Compact Principle 3:**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Ameria encourages full time staff to pursue and maintain professional affiliations and to attend meetings of professional societies and associations. To assist full time staff who have been employed for 6 months in doing this, Ameria may partially reimburse staff members for membership dues of up to \$100 for one professional association or society, provide staff members paid leave and transportation and related travel expenses to a meeting of the professional association or society, etc.
(*Ameria CJSC Employment Policies And Procedures Manual*)

- **Global Compact Principle 4:**

the elimination of all forms of forced and compulsory labour;

Ameria expressly prohibits any form of retaliatory action against any staff member for filing a bona fide complaint or for assisting in a complaint inquiry.

In hire of employees or performance of works, no direct or indirect restriction and no granting of direct or indirect privileges on the basis of person's sex, race, origin, belief is permitted.

Candidates are usually recruited using local, national, or international search and selection methods deemed appropriate to the needs of Ameria and the position's location. Ameria usually posts all open positions internally. Staff who believe they are qualified are urged to apply; all internal candidates are interviewed. However, in its discretion, Ameria may choose to use a different recruitment method or forgo an external search entirely.

The employee hire is conducted in compliance with the applicable provisions of the labor legislation of the Republic of Armenia.

Ameria's staff is appointed by the Managing Director through the execution of the employment contract and issue of employment order to be registered in the employment record-book.

Inaccurate record keeping, incorrect or non-payment of wages and excessive overtime hours are common violations. We regularly review timecard, payroll and records and verify their accuracy through worker interviews. When violations are discovered, we typically require back-payment of wages as appropriate.

Our Personnel Policy Manual defines work hours. The overtime procedure has a provision for employees to sign if he/she agrees to render more than 8 hours duty. Those on overtime are given premiums in pay.

The hiring and firing policy of the group is based on the Armenian labor laws. Even when hiring employees for certain reasons, they are well compensated as per the law has indicated.

There is a system for hiring people, evaluating them, training them, and rewarding them on their achievements. The system applies to everyone ensuring that there are no discriminations at all.
(*Ameria CJSC Employment Policies And Procedures Manual*)

• **Global Compact Principle 5:**

the effective abolition of child labour;

Child labor is not used at all.

Mechanisms for age verification in recruitment procedures are used. Ameria ensures that adult workers are given secure employment and decent wages and working conditions so that they do not need to send their children to work.

• **Global Compact Principle 6:**

and the elimination of discrimination in respect of employment and occupation

Any staff with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of their immediate manager or the Managing Director. Staff can raise concerns and make reports without fear of reprisal.

It is Ameria's policy that all staff should be able to enjoy a work environment free from all forms of harassment. In support of this policy, Ameria expressly prohibits any form of employee harassment by another employee, supervisor, or a third party for any reason including race, color, religion, national origin, sex, age, marital status, sexual orientation, disability or any other status protected by applicable law. Improper interference with the ability of Ameria's staff to perform their expected job duties will not be tolerated.

Specifically, Ameria prohibits:

1. unwelcome sexual advances,
2. requests for sexual favours,
3. verbal, physical, and visual harassment.

If an employee experiences any job-related harassment, has a related complaint, or believes he or she has been treated in an unlawful discriminatory manner, that employee should promptly report the matter to the Managing Director or member of Senior Management. Staff is encouraged to report harassment early on, before it becomes severe or pervasive.

(Ameria CJSC Employment Policies And Procedures Manual)

• **Global Compact Principle 7:**

Businesses should support a precautionary approach to environmental challenges;

"Municipal Solid Waste Management Plan in the Town of Ijevan"

The Project was aimed at the elaboration of a waste management plan and provision of financial resources for the waste management short-term activities in Ijevan. The *Armenia Office of the UK Department for International Development (DFID)* managed and monitored the project implementation. As the implementing agency of the Project, **Ameria CJSC** was responsible for the implementation of the two consequent phases of "Ijevan Waste Management Plan" Project: Technical Assistance Phase and Investment Support Phase.

By the end of the project the following objectives were fulfilled:

- Creation of an environment to more effectively manage the resources,
- Design of an effective cost covering tariff policy,
- Design and implementation of broad PR and educational activities,
- Introduction of an efficient and effective technical facilities for the waste collection and disposal, and
- Acquisition of contemporary multifunctional machinery and equipment.

- **Global Compact Principle 8:**

undertake initiatives to promote greater environmental responsibility;

The estimated growth of the number of vehicles in the capital totals to 10,000-12,000 per year. Taking all that into account, the city municipality adopted a policy of increasing the number of buses and simultaneously decreasing that of minibuses in city routes. To support the program implementation process, Ameria's specialists elaborated an investment project, based on which a loan was funded by AMERIABANK CJSC to finance acquisition and delivery to Armenia of 55 ZONDA model buses, which will replace 124 GAZEL minibuses and 4 PAZ buses. In addition to significant improvement of traffic in the city, these buses were chosen for their efficiency, safety and environmental safety.

- **Global Compact Principle 9:**

and encourage the development and diffusion of environmentally friendly technologies.

Ameria CJSC periodically makes an attempt to encourage the development and diffusion of friendly technologies while initiating and organizing annual retreats.

The accompanying long lasting discussions are a sort of "exhibition" of achievements in the sphere of Environmentally Friendly Technologies designed and installed by Ameria itself from the very start. The "exhibition" also aims to provide an opportunity for "members" and "participants" to exchange expertise, technologies and ideas in areas related to interpersonal relations, business etiquette, company prestige and compliance with international standards for reaching the desired results. This effort is part of Ameria's overall activities in compliance with requests from Ameria "members" to strengthen the work and social responsibility of the company.

- **Global Compact Principle 10:**

Businesses should work against all forms of corruption, including extortion and bribery.

Ameria have no detailed statement of the anti-corruption policy, but in the company orientation, it is clearly disseminated that no employee is allowed to deal with any corruption practice especially in the areas of procurement, payroll, contracting, forwarding etc.

Staff may not accept gifts or favors from any customer, supplier, applicant, client, or competitor. It is unlawful to accept anything of value in exchange for a promise to influence an Ameria decision in the selection of an assignment, contract, vendor, or other collaborator. Ameria may accept gifts only if presented to the entire organization as a culturally-appropriate memento or token of appreciation and even then only so long as the value does not exceed USD \$50 (*Ameria CJSC Employment Policies And Procedures Manual*).