

Communication on Progress

October, 2008





Grant Thornton

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STATEMENT OF CONTINUED SUPPORT

As one of the first Armenian members of the United Nations Global Compact, Grant Thornton Amyot has fully incorporated the ten principles set out by the organization and remains true to their implementation in all areas of its activity, to the most possible extent with consideration of the specifics of our industry.

The decision to become involved in the network of the UN Global Compact has been made not only by the management of our company, but was strongly supported and continues to be reflected on all levels of the company. We have adhered to the ten principles of the Global Compact and have ensured that these globally valuable principles become the integral part of our activity. Moreover, we have directed efforts to publicize them among our partner organizations and the Armenian society in general, and encourage engagement of more parties in the Global Compact.

The approach of our company and the global organization can be best illustrated by quoting David McDonnell, Chief Executive Officer of Grant Thornton International, who said: "I believe that we can achieve a leadership position based on distinctive client service delivered by outstanding people in our member firms, partner level involvement, and a willingness to speak out on issues that matter to business and the wider public."

In the present report we summarize the progress we have made against these principles and express commitment to follow them in the future.

Yours sincerely,

Armand Pinarbasi
Managing Partner

Contents

Contents	2
Company Profile	3
Communication on Progress	5
Press Coverage	12
CSR Initiatives	19

Company Profile



Grant Thornton International Ltd (Grant Thornton International) is one of the world's leading organisations of independently owned and managed accounting and consulting firms providing assurance, tax and specialist advisory services to privately held businesses and public interest entities.

The strength of each local firm is reflected in the quality of our organisation. All Grant Thornton International member firms share a commitment to providing the same high quality service to their clients wherever they choose to do business.

Grant Thornton member and correspondent firms operate in over 100 countries worldwide.

Did you know...

...Grant Thornton International is now the longest-surviving, same-name international network in the world

...Grant Thornton International celebrated its 25th anniversary in 2005

Grant Thornton Amyot LLC, member of Grant Thornton International was founded in early 1990s, bringing to the market the philosophy shared by all member firms - partner-led and personalized services, conformity with high professional standards and dedication to the needs of the public sector and growth-oriented businesses.

Grant Thornton Amyot is a multi-professional group of public accountants and auditors, specialist advisers in finance, business and management, as well as tax and legal advisers. Our staff consists of over 120 experienced international and local professionals working at our Yerevan office.

For over a decade Grant Thornton Amyot has been providing audit missions, in-depth professional consulting services and specialist advice to governmental organisations, mid- and top-level enterprises, national and commercial banks in CIS countries: Armenia, Georgia, Ukraine, Belarus, Uzbekistan and Kazakhstan.

Supported by the depth of the international structure, the strength of the brand and the high standards of quality in the network, we deliver services which meet the toughest expectations of our clients.

“Our work has brought and still continues to deliver success and prosperity to all of our clients.”

Armand Pinarbasi



Services

Assurance and audit-related services

- Audit of statutory financial statements
- Audit of financial statements prepared according to International Financial Reporting Standards (IFRS), US GAAP and other financial reporting frameworks
- Review of financial statements
- Compilation of financial statements
- Agreed upon procedures

As statutory auditors we also prepare reports to shareholders as required by the law and we attend the annual meetings of shareholders.

Specialist advisory services

- Business risk services –advising businesses on the effectiveness of their governance, risk management and internal control including:
 - internal audit, internal control reviews, SOX readiness and corporate governance, SAS 70 and technology assurance, CFO services (financial closing and consolidation, strategic planning, budgeting and forecasting, performance management), CIO services (please see below – IT Governance and Advisory service line).
- Mergers and acquisitions (acquisitions and fund-raising, disposals, MBOs, MBIs)
- Transaction advisory services (due diligence, post deal services, bid support, public company reporting)
- Valuations – advising on business, company, share and asset valuations, either for commercial or statutory purposes.
- Recovery and reorganisation – advisory to insolvent companies, restructuring advice to underperforming businesses, strategic performance reviews, exit strategy services and M&A advice to distressed companies.

IT Governance and Advisory

- IT assurance
- IT security
- IT strategy
- IT due diligence
- IT assessment

Domestic and international taxation - Advising on all aspects of tax strategy and tax planning, on the formation or the acquisition of a company and throughout its existence, especially from the international viewpoint.

Outsource accounting - setting up the accounting system, providing the company with interim reviews of the accounts, preparing budgets and monthly or quarterly reports, as well as year-end financial statements and all tax and social contribution returns.

Legal and policy advice

Our legal advisers will provide you with complex legal consulting in all aspects of your activities. Our assistance may also support the growth of your business by providing legal advice in one or more of the following areas:

- Contracts - negotiating and drafting contracts and legal agreements
- Legal due-diligence
- Litigation
- Company registration and re-registration and further support by legislation updates
- Labour legislation and customs consulting
- Real estate

Communication on Progress

October, 2008

Global Compact Principles – HUMAN RIGHTS

- Business should support and respect the protection of internationally proclaimed human rights
- Business should ensure that they are not complicit in human rights abuses



Grant Thornton Amyot LLC is one of the leading organizations providing audit and a wide range of consulting services in Armenia. Our company is proud not only for being a proven leader in the industry, but also for being a socially responsible employer. The driving force, that has brought the company to its current leading position, is the personnel of the organization. The annually increasing number of the employees and their long-term commitment to the company is the result of a number of factors that the company ensures for its employees, among which the respect for the rights of employees and provision of favourable conditions of work are to be highlighted in this context. More specifically, the following mechanisms are applied to ensure that within our company we support and respect the protection of internationally proclaimed human rights and are not complicit in human rights abuses:

- **Grant Thornton Amyot is an equal opportunity employer**

The company is committed to the policy of assessing the human resource potential in a non-discriminative manner. As per Article 2 of the Universal Declaration of Human Rights, no distinction of any kind, such as race, colour, gender, language, religion, political or other opinion, national or social origin, property, birth of other status, is made when employing, further retaining or terminating employment of persons in the company. Assessment of human resource is made only on the basis of relevance of education, professional qualifications and personal skills to the requirements of the job position.

- **Gender balance in Grant Thornton Amyot**

As mentioned above, the company does not discriminate on the basis of gender distinction

among its employees. Promotion of male and female employees is carried out on equal basis. Presently, 55% of senior and managerial position in the company is occupied by women.

- **Equal treatment in Grant Thornton Amyot**

In its daily activity and in its remuneration strategy, the company signifies Article 23 of the Universal Declaration of Human Rights and ensures that everyone, without any discrimination, has the right to equal pay for equal work, everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. The Human Resources Policies and Procedures Manual developed by Grant Thornton Amyot and serving as the main guidance for HR-related issues, sets out the human resource organizational scheme, as well as the policy on remuneration, which is equal for equal positions and equal load of work. Along with the rights of employees to work in equal and favourable conditions, the company also respects the right to rest and leisure. Each employee is entitled to 34 days of paid vacation, which exceeds the minimum set out by the Labour Code of the Republic of Armenia by 6 additional days. This beneficial term of employment is fixed under the Employment Contract provisions.

- **Education in Grant Thornton Amyot**

The company, with due respect to Article 26 of the Universal Declaration of Human Rights, encourages the employees on their path of education. Moreover, certain specialists have a requirement of fulfilling annually 40 hours of continuous professional education. Almost 30% of the staff of the company is enrolled in special professional education courses, for which they receive not only financial support from the company, but also time off from work, which contributes to proper pursuit of education.

As a socially responsible employer, Grant Thornton Amyot annually makes certain investment not only in educational and professional development of its employees, but also strongly supports educational growth of students and young professionals. The company is committed to the policy of building cooperation with high-ranking local and foreign educational institutions, which prepare specialists in areas of interest to the sphere of its activity. This cooperation is realized through different forms, such as:

- Regular hosting of student interns, seeking to fulfil course requirements and acquire practical skills, with duration between 4-12 weeks. On average, annually 20-25 students undergo internship in the company. The company provides them with respective technical resources, allocates specialists to provide support and training to interns.
- Sponsorship of student studies. The company cooperates closely with several higher education institutions in Yerevan. Within the scope of this cooperation, the company has signed an agreement with the French University in Armenia and has sponsored the tuitions of four students in 2006.
- Organization of career days or job fairs for graduating students. Annually the company participates in 4-5 job fairs, through which students are given the opportunity to become involved in the company upon mutual collision of interests.
- Assistance to students in their research projects. The company, as part of its support to education, provides information to students and makes this information available through its website, where annually a number of publications related to the sphere of company's activity are accessible.

Global Compact Principles – LABOUR STANDARDS

- Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Business should support the elimination of all forms of forced and compulsory labour
- Business should support the effective abolition of child labour
- Business should support the elimination of discrimination in respect of employment and occupation



Grant Thornton Amyot is a company where the working environment and treatment of human resource is valued as one of the most important factors determining the success of the company in the Armenian market and abroad. Along with the growth of the company and the growth of the demand for quality service, Grant Thornton Amyot has also extended its services beyond Armenia and the professionals of the company annually carry out over a dozen international missions. The company adheres to internationally recognized labour standards regardless of the location and type of its activity.

The personnel of the company is provided with up to date equipment and convenient working conditions. The office of the company is equipped with consideration of necessary safety and technical parameters and fully complies with commonly accepted standards.

Grant Thornton Amyot develops its policies and procedures in consistency with the concept of corporate social responsibility and in accordance with the labour legislation of the Republic of Armenia. The company spares no effort to ensure that human resource policies are both fair and progressive. The policies of the company are stated in the Human Resources Policies and Procedures Manual.

Grant Thornton Amyot does not discriminate on the basis of race, age, sex, origin, marital status, religious or political conviction, and other characteristics. The company follows the policy of equal opportunity in employment and aims to create an environment free of direct or indirect discrimination and harassment. The recruitment and termination of employment are carried out in complete accordance with the Labour Code of the Republic of Armenia. The minimum age of employees is 18 years and those are usually interns from universities who perform internship programs. Equal opportunities are given to everyone when hiring for a new position or a vacant one. No gender or age based discrimination is applied.

The recruitment process is the following:

Initial screening of pooled applications and CVs is carried out to ensure that candidates meet minimum requirements set forth in the respective job specification, and for sourcing and presenting a diverse pool of candidates. Short-listed applicants then undergo a written examination designed to test knowledge and skills outlined in the job specification. Written test of the professional aspect of a foreign language (usually English) is mandatory. During their probation period, newly hired employees undergo training in the areas of specific programmes and topics required for their work.

Grant Thornton Amyot is committed to a policy of encouraging and sustaining professional development of its employees and their training aimed at acquiring job-related knowledge, skills and abilities, with the purpose to apply them on job.

Grant Thornton Amyot is committed to helping their employees on their path of professional development, through both formal and on-job training, as well as assisting them in attaining professional qualification.

Grant Thornton Amyot is also committed to creation of multicultural and diverse working environment, and hence encourages cross-border internships and secondments. In this area the company cooperates with Grant Thornton International, international student and professional associations. The company closely cooperates with AIESEC, an organization with runs international internship programs, and each year hosts an international intern in one of the departments of the company.

The company is committed to sponsoring participation of staff members in service line conferences, technical trainings and workshops. At present 30 staff members of the company are enrolled in a professional certification training program, fully covered by Grant Thornton Amyot. The company also organizes series of internal professional developments programs developed to meet the needs of individual staff members as they progress in the firm. These include professional trainings for personnel that advance to positions of consultants, lawyers, auditors, in-charge auditors, and managers and induction program for newly hired audit assistants. All of these trainings supplement the professional qualification trainings (MBA certification programs or Association of Chartered Certified Accountants), the accountant qualification and auditor license trainings (Ministry of Finance of the Republic of Armenia).

Even though there is no formal association of employees in the company, the company is organized in a three-level system of employees, managers and partners, and there is an informal system of employees reporting to their managers and raising concerns, who, in their turn, raise the issues to the partners of the company.

Grant Thornton Amyot strongly encourages professional personnel to attain membership of an appropriate professional body. For the personnel of the company such professional bodies include, but are not limited to:

- the Association of Accountants and Auditors of Armenia (AAAA),
- the Association of Chartered Certified Accountants (ACCA, UK).

The company closely follows the development and growth of its personnel, and conduct annual staff appraisals. For these and other purposes, in 2006 Grant Thornton Amyot has initiated the development of customized Management Information System (MIS) software, which, among other tools, has a special section dedicated to staff appraisal. Staff Appraisal section is designed with the purpose of conducting Performance Appraisals in an electronic mode, though accessing personal appraisal pages for each staff member. It provides appraisal reports for individual staff members in long and short format, as well as a cumulative appraisal score sheet for the entire staff.

The objectives of the company's staff evaluation exercise are based on the principles of assuring fair, participatory, transparent and merit based acknowledgement of the performance and

professional progress made by each of the partners and staff members within the company for a given period of time, usually equal to 12 consecutive months.

As a positioned leader in the industry nationwide, Grant Thornton Amyot follows the strategy of ensuring market top average of the industry compensation for all staff members. Compensation scheme is developed based on factors indicating proper levels of motivation, company loyalty and aspiration for continuous professional growth. The company also offers other benefits to employees, which aim to provide tools, conditions and mechanisms for staff to perform assigned duties, create vigorous social atmosphere, enforce corporate culture, as well as stimulate professional and academic growth of all staff members.

Other benefits attributed to company staff include:

- mobile telephones and connection SIM cards for all professional staff members, except assistants;
- transportation by company vehicles for staff members travelling on company business on daily basis and/or reimbursement of travel expenses incurred;
- paid vacation of 34 calendar days per annum;
- reimbursement of expenses incurred in obtaining professional qualifications including costs of books and study materials, but excluding tuition;
- reimbursement of fees related to membership in professional associations, obtaining and maintaining licenses and certifications;
- reimbursement of costs incurred in connection with attendance of professional conferences, seminars, training programs;
- organization and financing of social and recreational events for staff members and members of their immediate families.

Grant Thornton Amyot cares for the well-being of the employees of the organization also by providing them with coverage on health insurance. The company's coverage of insurance expenses is partial, up to 70%, depending on the income level of the employee.

On international missions employees are provided with appropriate accommodation and sufficient per diems to cover their living and transportation expenses.

Global Compact Principles – ENVIRONMENT

- Business should support a precautionary approach to environmental challenges
- Business should undertake initiatives to promote greater environmental responsibility
- Business should encourage the development and diffusion of environmentally friendly technologies



Due to the nature of its activity, that is provision of audit and consulting services, Grant Thornton Amyot has limited possibilities of promoting greater environmental responsibility within the scopes of its business activity. However, the company utilizes the available possibilities to the greatest extent and has introduced new mechanisms to encourage the development and diffusion of environmentally friendly technologies. More specifically, the within the year 2007-2008 the company has upgraded its electronic equipment, which allow to decrease the electricity spending and usage of paper.

Global Compact Principles – ANTI-CORRUPTION

- Business should work against corruption in all its forms, including extortion and bribery



Corruption is one of the areas of highest concern in the modern society, but is of special threat to the audit and accounting profession. Grant Thornton Amyot, being a member of a wide international organization, abides to very strict rules, set out for all member firms that are part of Grant Thornton International. Along with adherence to the set rules, the company in its turn pays immense attention to prevent corruption and bribery in its business and among the professionals constituting the organization.

• Ethical standards and anti-corruption in Grant Thornton Amyot

The Ethics and Quality Control Manual (EQCM), published by Grant Thornton International, and updated on regular basis, incorporates the organization's policy on ethical standards within the profession and standards against which quality is to be ensured. Among many of the issues targeted by the EQCM, the issue of maintaining independence is of primary importance. Specifically, the EQCM states that:

- Personnel and the member firm should not engage in any business, occupation or activity that impairs or might impair integrity or objectivity where professional standards require us to maintain independence.
- Persons of certain positions, such as partners, managers of members of the assurance team, are restricted from having any interest in an entity which is restricted globally.
- Employees are restricted from accepting any gifts or hospitality from a client of the firm unless the value is clearly insignificant. Gifts and hospitality with a value of less than USD 100 will be

assumed to be insignificant.

- **Accountability and Transparency (International)**

Grant Thornton Amyot, as a member of Grant Thornton International, reports to the organization on the status of its activity. Besides that, each year Grant Thornton International carries out check up on member firm compliance with the set requirements and standards. This procedure ensures that each member firm abides the requirements of membership and, upon breach of the standards, immediate measures are taken. Transparency of the global organization and its member firms is of keen importance in this profession. Earning and retention of credibility of public and clients is again of utmost importance. With this in mind, Transparency Report is issued by Grant Thornton International each year. The report is publicly available through the websites of the global organization and its member firms and is disseminated among stakeholders. In its several chapters, such as “Quality control systems”, “Independence practices”, “Quality people” and others, the report introduces the annual accomplishments and areas of interest or concern for the organization.

- **Accountability and Transparency (Local)**

Grant Thornton Amyot annually reports to the Ministry of Finance of the Republic of Armenia. By means of this reporting, the company once again ensures that all internal procedures and its activity are transparent and fair.

Internal transparency and accountability is ensured by the existence of seven partners in the company. Each of the partners is fully accountable to others, providing sound basis for transparent and fair activity.

As part of its strategy to maintain transparency and accountability to the public, the company closely cooperates with media. Grant Thornton Amyot always speaks out on matters that are important from the perspective of its sphere and to the wide society in general. Annually, the company organizes press conferences, issues several dozen press releases and remains fully transparent and open to the public.

Press Coverage

Interview with Gurgun Hakobyan, Partner at Grant Thornton Amyot, published in “Devovoy Express” weekly newspaper. (English translation provided below)

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PR
Деловой Экспресс 7

Мы ответственны за тех, с кем работаем

В последние годы в Армении, как и во всем мире, частные компании все чаще стали применять в своей деятельности положения о корпоративной социальной ответственности (КСО). Причем эта деятельность нацелена не только на решение задач по охране окружающей среды, но и на создание условий для развития и процветания самих предприятий. Примечательно в этой связи, что согласно данным Международного делового доклада, опубликованном несколько месяцев назад одним из мировых лидеров в области аудита и консалтинга — компанией “Grant Thornton International” — 78% опрошенных в РА руководителей частных предприятий отметили, что стимулом проведения политики КСО для них явилось то, что благодаря КСО стало возможным решение определенных задач по привлечению и сохранению человеческих ресурсов. О программах КСО, осуществляемых армянской компанией “Грант Торнтон Амьо” (являющейся членом “Grant Thornton International”), в нашем интервью с ее совладельцем Гургеном Акопяном.

— Как известно, программы КСО могут охватывать разные направления, начиная с усилий, направленных на охрану окружающей среды, и кончая управлением человеческими ресурсами, защитой прав человека и программами, направленными на создание благоприятной социальной среды (включая благотворительные, спонсорские и иные подобные программы). — отметил в начале беседы г-н Акопян. — Наша компания, принимающая активное и серьезное участие в армянской экономике, одна из первых в нашей стране присоединилась к программе ООН под названием “Глобальный договор” (Global Compact). Целью упомянутой программы является объединение, координация и централизация информационной базы программ КСО, реализуемых в рамках “Глобального договора”, с целью информирования широких слоев общественности о том, как осуществляются программы КСО той или иной компании.

Чтобы стать участником “Глобального договора”, нашей компании в первую очередь необходимо было принять внутреннее решение о готовности осуществлять эту программу. В частности, сначала были пересмотрены все наши внутренние регламенты, пособия и документы, которые были приведены в соответствие с требованиями “Глобального договора”. За этим последовала разработка программ КСО на ближайшие годы. Прошло уже достаточно времени, и сегодня можно сказать, что часть этих программ уже выполнена.

— На какие именно программы делает акцент “Грант Торнтон Амьо”?

— Основной акцент делается на развитии внутренних человеческих ресурсов нашей компании, т.е. на программы, нацеленные на трудовую коллекцию.

— Что это предполагает?

— В первую очередь, мы пытаемся делать все возможное, чтобы наш трудовой коллектив работал в нормальных условиях, имел возможность постоянно развиваться профессионально, т.е. имел возможность непрерывного профессионального образования. Для этого есть различные программы, в частности, относящиеся к нашей профессиональной сфере программа международной квалификации ACCA, многочисленные другие программы повышения квалификации. Последние включают в себя обучающие программы, состоящие из нескольких этапов, экзамены, которые требуют достаточно серьезных финансовых инвестиций — эти расходы берет на себя наша компания. Естественно, “Грант Торнтон Амьо” также создала условия для того, чтобы сотрудники, проходящие переквалификацию, имели возможность совмещать учебу с работой. Если говорить цифрами, то можно констатировать, что основная часть наших сотрудников участвовала и сейчас продолжает участвовать в подобных программах, периодически совершенствуя свои профессиональные навыки. Например, прямо сейчас в рамках программы ACCA около 30 наших сотрудников проходят международное квалификационное обучение (это около 30% нынешнего персонала компании). Помимо этого, у нас есть сотрудники, проходящие обучение за рубежом.

При этом компания “Грант Торнтон Амьо”, с одной стороны, поощряет, но в то же время ненавязчиво требует, чтобы сотрудники участвовали в подобных программах. Кроме того, были случаи, когда компания оказывала финансовое содействие лицам, получающим академическое образование — перспективным студентам, обучающимся в



магистратуре. В частности, такой опыт сотрудничества есть с Американским и Французским университетами. Таким образом, руководство компании пытается планировать карьерный рост каждого сотрудника, стремится обеспечить тот образовательный и финансовый минимум, который требуется для поддержания этого роста. Осуществляя упомянутые программы, мы также вносим определенный вклад в развитие других специальностей, касающихся сфер бухгалтерии, аудита и финансов.

— Вы отметили, что для реализации программ КСО требуются довольно серьезные инвестиции. О каких расходах идет речь?

— Действительно, программы международной квалификации — дорогое удовольствие. При этом с каждым годом эти расходы растут. Каждый этап квалификационного обучения длится 3-4 года, это означает, что мы должны нести расходы не только по обучению и организации экзаменов, но и по приобретению учебников, по ежегодным членским взносам и др. В итоге обучение одного сотрудника на квалификационных курсах обходится в сумму, эквивалентную нескольким тысячам долларов.

Обобщая наши подходы, можно констатировать, что компания несет ответственность за тех людей, с которыми работает. Это делается не только для обеспечения профессионального и карьерного роста наших сотрудников, но и потому, что мы в целом придаем большое значение развитию процесса непрерывного образования в Армении. Это один из принятых нами принципов глобальной ответственности. Мы убеждены, что осуществляя вышеупомянутые программы, вносим наш вклад в предотвращение утечки молодых кадров не только из нашей компании, но и из страны в целом.

— А сколько еще компаний в вашей области применяет в своей работе принципы КСО?

— По имеющимся у меня сведениям, еще 1-2 компании имеют опыт работы в области КСО, остальные, к сожалению, не столь активны. И мы призываем всех присоединиться к “Глобальному договору” и иным программам, способствующим развитию человеческих ресурсов, и тем самым внести свой вклад как в дело развития экономики Армении, так и нашей профессиональной сферы.

В.Акопян

**Государственный Инженерный Университет
Армении (Политехник) совместно с ассоциацией
по содействию олимпиадам “Олимп”**

**с 20-го по 24-е октября с.г. проводит студенческую олимпиаду
по информатике, посвященную 75-летию Политехника**

Предусматривается проведение как командного, так и личного первенств, в которых могут принять участие студенты, обучающиеся по бакалаврской и магистерской образовательным программам.

We are Responsible for People We Work With

As in the whole world, in Armenia likewise, during the recent year the privately held companies have started to more and more often apply provisions of corporate social responsibility (CSR) in their activity. This activity is not only directed to solution of environmental problems, but also to development of these companies and creation of appropriate conditions for their prosperity. It is worth mentioning that according to the data published several months ago in the International Business Report, issued by one of the world's leading audit and consulting companies, Grant Thornton International, 78% of companies that participated in the survey in Armenia state that their incentive for pursuing CSR policy was the fact that due to CSR it was possible to solve some of the human resource recruitment and retention issues. Our interview with Gurgen Hakobyan, partner of Grant Thornton Amyot, the Armenian member of Grant Thornton International, is about implementation of CSR projects.

- As we know, CSR projects may include different social spheres, starting with efforts on protection of environment, to human resource management and protection of human rights and creation of a favourable social environment (including charity, sponsorship and similar initiatives), said Mr. Hakobyan in the beginning of our interview. Our company, that plays an active and serious role in the Armenian market, was one of the first in the country to join the UN Global Compact. The latter aims to unite, coordinate and collect in one source the information data on CSR projects implemented within the scopes of the Global Compact, so that the wider layers of the population are aware about the CSR initiatives implemented by the organization.

To join the Global Compact, our company first of all, had to itself make a decision of readiness to implement those projects. Specifically, first of all, all internal policies, manuals and documents were revised to correspond to the requirements of the Global Compact. It was followed by development of CSR projects for upcoming years. Quite a lot of time has passed since then, and today I can state that we have implemented part of these projects.

- Specifically which projects are emphasized in Grant Thornton Amyot?

- The main emphasis has been put on the development of the human resource in our company, on the projects targeting our staff.

- What do they include?

- First of all we try to create normal conditions for the activity of our staff and provide them with an opportunity to continuously develop professionally, that is have an opportunity for continuous professional education. There are numerous programs in that direction, particularly ACCA international qualification program which is relevant to our sphere and many others. ACCA includes trainings and exams of several stages and the company covers these expenses. Naturally, Grant Thornton Amyot has also created sufficient conditions, so that the employees who undergo qualification trainings can combine them with work. If we talk in number, we can state that the majority of our staff has participated and currently participates in such trainings, regularly improving their professional skills. For example, only within the scope of ACCA program, at the moment about 30 specialists are in training process (that is about 30% of our entire staff). We also have specialists who are trained abroad. Moreover, Grant Thornton Amyot on the one hand encourages, but in the meantime requires that its specialists participate in similar trainings. Besides that, there have been cases when we have provided financial support to students receiving academic education, students enrolled in Masters program of universities. In particular, such cooperation exists with the American and French universities. Thus, the management of the company tries to plan the career growth of each employee and strives to

ensure the educational and financial minimum, which is required for such growth. By implementing the above-mentioned projects, we believe that we also make certain investment in development of specialisations related to spheres of accounting, audit and finance.

- You have mentioned that quite significant investments are required for CSR projects. What are the expenses?

-It is true, the international qualification programs are especially expensive. Moreover, these expenses grow each year. All the stages of qualification trainings last from three to four years and it means that we need to take care of not only the costs for trainings and exams, but also for literature, annual membership fees and some other expenses. Thus, the training cost for one employee is equal several thousand dollars' equivalent in drams.

If we summarize our approaches, it will be possible to state that our company assumes responsibility for the people with whom we work. It is not only done with the intention to ensure professional and career growth of our specialists, but also because we signify development of professional and continuous education in Armenia in general. It is also one of the global responsibilities that we have assumed. We are sure that through implementation of the above-mentioned projects, we input our share in prevention of outflow of young specialists both from our country and from our company.

- And what is the level of engagement of other companies of your sphere in CSR projects?

- To the best of knowledge there are another one or two companies in our sphere that have experience in CSR projects, others unfortunately, are not so active. And we call upon everyone to join the Global Compact and other programs aiming at development of human resources, and thus contribute to the development of the economy of Armenia and our profession.

Interview with Gurgen Hakobyan, Partner at Grant Thornton Amyot, published in “Devovoy Express” weekly newspaper. (English translation provided below)

PR

В последние годы в деловых кругах и прессе Армении все чаще обсуждаются вопросы корпоративной социальной ответственности (КСО). Пожалуй, бесспорным лидером у нас в этой области является известная компания “Грант Торнтон Амьо”, работающая в области аудита и консалтинга.

По словам ее партнера Гургена Акопяна, “Грант Торнтон Амьо” в рамках КСО реализует разнообразные программы, о чем уже были сообщения в прессе. Одна из них касается так называемой задачи обеспечения гендерного равноправия, в рамках которой проводились специальные исследования по выявлению участия женщин в бизнесе, в области аудита и консалтинга. По словам Г.Акопяна, социальная ответственность “Грант Торнтон Амьо” выражена в финансировании, организации и реализации упомянутых исследований, а также в информировании общественности о полученных результатах. Опросы-исследования, проведенные примерно в 100 компаниях РА

Роль женщин в бизнесе Армении достаточно высока и активна



и опубликованные “Грант Торнтон Интернешнл” в 2007 году, стали частью Международного бизнес-доклада.

По словам Гургена Акопяна, проведенные в РА исследования показали, что в 60% компаний женщины занимают руководящие должности — директора, заместителя директора и т.д. Совладелец компании “Грант Торнтон Амьо” считает этот показатель интересным и выразительным, т.к. он не только близок к среднему мировому показателю Международного бизнес-доклада — 60%, но, оказывается, в РА этот показатель превосходит на 1% мировые тенденции. Таким образом, можно сделать вывод, что исследования (возможно, неожиданно для многих) показали, что роль женщин в бизнесе Армении достаточно высока и активна, а с точки зрения гендерного равноправия, нет задач, требующих экстренных решений. Конечно, это не означает, что Армения по этому показателю находится среди мировых лидеров. Интересно, что эти показатели очень высоки в Южной Азии. Например, в Филиппинах — в 97% компаний женщины занимают руководящие посты, в Китае этот показатель составил 91%, в Малайзии — 85%. Из 5 стран, имеющих самые низкие показатели, 4 находятся в Европе: Нидерланды — 27%, Люксембург — 37%, Германия — 41% и Италия — 42%.

Вторая часть упомянутых исследований касается изучения вовлеченности женщин на руководящие должности в области аудита и консалтинга. По словам Гургена Ако-

пяна, изучение этой задачи было основано именно на модели “Грант Торнтон Амьо”. В этой области также зафиксированы достаточно интересные результаты. Оказалось, что около половины руководящего состава компании (заместителя директора, менеджеры) — женщины. Результаты исследования показали, что можно с уверенностью заявить о том, что в области аудита и консалтинга вообще, а в компании “Грант Торнтон Амьо” в частности, женщины занимают достаточно серьезные и влиятельные позиции. Подводя итоги и анализируя результаты исследований, Г.Акопян заявил: “Считаю, что получены хорошие показатели, мы поощрим усилия, направленные на гендерное равноправие, а наши принципы отражены во всех регламентах “Грант Торнтон Амьо”.

В.Акопян

Women Play an Active and Important Role in Armenian Business

During the last years the Armenian business world and press more frequently deal with the issue of Corporate Social Responsibility /CSR/. In this sphere the leading role belongs to the well known company Grant Thornton Amyot which is providing assurance and advisory services.

Gurgen Hakobyan, the partner of the company states that Grant Thornton Amyot is implementing various programs within the frames of CSR and they are already managed to be covered by the press. One of the above mentioned projects refers to the so called maintenance of gender equality. Within the frames of it special survey on the women integrity both in the business and advisory, assurance spheres were carried out. According to Gurgen Hakobyan's opinion CSR found its expression by financing, organizing and implementing of that survey as well as by means of raising public awareness. Moreover the results of the survey held among Armenian hundred economies are included in the International Business Report 2007 produced by Grant Thornton International. Gurgen Hakobyan mentions that according to the survey results surveyed economies with 60 per cent reveal that women occupy leading positions: directors, deputy-directors and etc. The partner of Grant Thornton Amyot finds this factor to be rather interesting and even significant as it is not only close to the international average with 59% percent recorded in the International Development Report but also it reveals that Armenia is even ahead of the international tendencies with one per cent. Thus we can conclude that the statistics, maybe unexpected for most people, showed that women's role in Armenian business is rather active and important. As for the gender aspect there is no need to solve any urgent problems in that sphere. Certainly, it doesn't mean that globally Armenia is in the leading position. It is of great interest that those indicators are rather high in the countries of Southeast Asia: Philippines with 97 per cent, Mainland China with 91 and Malaysia with

85 per cent. The four countries (out of five) with the lowest indicators are the European ones: Netherlands with 27 per cent, Luxemburg with 37 and Germany with 41 and Italy with 42 per cent.

The second part of the above mentioned survey reveals the analyses of the women's integrity in the assurance and advisory spheres. Gurgan Hakobyan stated the survey of this matter was based just on the model of Grant Thornton Amyot. The statistics is rather interesting in this sphere as well. Mainly, it was found out that women are holding half of the managerial positions (deputy- directors, managers and etc). Additionally, women are the overwhelming majority of the qualified staff. The results of this survey come to prove that today generally in the sphere of assurance and advisory and mainly in Grant Thornton Amyot women play rather serious and central roles. Gurgen Hakobyan, concluding and finalizing the results of the survey, states "I think this is a valuable indicator. We encourage the efforts to reach gender balance and these approaches of us found their reflection in all the policies of Grant Thornton Amyot".

Interview with Gagik Gyulbudaghyan, Deputy Managing Partner at Grant Thornton Amyot, published in "Devovoy Express" weekly newspaper. (English translation provided below)

“Грант Торнтон Амьо” взяла на себя ответственность за образование молодых специалистов

В последние годы в армянской прессе стали часто обращаться к теме применения принципов корпоративной социальной ответственности (КСО) в работе наших ведущих компаний. В этих публикациях особенно часто упоминается одно из лидирующих предприятий в области оказания услуг по аудиту и консалтингу в Армении — компания “Грант Торнтон Амьо” — в связи с применением принципов КСО в ее деятельности.

Это не случайно, т.к. по словам партнера компании Гагика Гюльбудагяна, программы КСО для “Грант Торнтон Амьо” имеют также стратегическое значение. В интервью с нами Г.Гюльбудагян обратил особое внимание на программу по подготовке молодых специалистов, реализуемую в рамках КСО. Это обусловлено тем, что компания “Грант Торнтон Амьо”, занимая лидирующее положение в области оказания услуг по аудиту и консалтингу в Армении, берет на себя обязательства по образованию молодых специалистов независимо от того, будут ли они в дальнейшем работать в самой компании.

По словам Гагика Гюльбудагяна, в рамках этой программы на практику в “Грант Торнтон Амьо” приглашается достаточно много студентов из армянских и зарубежных вузов. Находясь от одного до трех месяцев в одной из ведущих компаний страны, молодые люди получают возможность общаться с высококвалифицированными специалистами, применить на практике полученные в вузе знания в профессиональной области и в бизнесе, что облегчит в дальнейшем возможность трудоустройства. “Наша задача — пригласить в нашу компанию побольше молодежи и дать ей возможность познакомиться со стилем и методами практической работы одной из

ведущих компаний в нашей профессиональной области”, — заявил партнер “Грант Торнтон Амьо” и добавил, что в этом вопросе компания сотрудничает с Французским, Американским, Ереванским государственным и Армянским государственным экономическим университетами.

Разумеется, “Грант Торнтон Амьо” стремится включить в свои программы перспективных, имеющих высокую успеваемость студентов, учитывая возможность их дальнейшего трудоустройства в компании. Выяснилось, что в ходе программы, реализованной совместно с Французским университетом, некоторым студентам была оказана финансовая помощь для оплаты обучения в вузе. Кстати, двое из них в дальнейшем стали работать в “Грант Торнтон Амьо”.

Г.Гюльбудагян заявил, что ежегодно 20-25 студентов проходят практику в компании. Понятно, что для реализации данной программы нужны серьезные финансовые вложения, т.к. чтобы принять одновременно 8-10 практикантов, необходимо обеспечить их хотя бы рабочими местами, компьютерами, выделить для работы с ними специалистов и т.д. Эти суммы пока не названы, но очевидно, что они достаточно велики.

Что касается привлечения моло-



дых специалистов из зарубежных стран, то этим занимается организация AIESEC в рамках программы обмена молодыми специалистами. Сотрудничество “Грант Торнтон Амьо” и AIESEC продолжается уже 8-9 лет. В рамках программы продолжительностью 3-6 месяцев в компании побывали молодые специалисты из Бразилии, Бельгии, Германии и даже африканских стран. Это также требует больших расходов, связанных с обеспечением условий работы и быта практикантов. По словам Г.Гюльбудагяна, реализуя подобные программы, “Грант Торнтон Амьо” пытается привлечь больше внимания к Армении. “Молодые специалисты, работающие в нашей компании, проявляют заинтересованность в общении с молодежью, прибывшей из других стран, тем самым обеспечивается культурное разнообразие, создаются новые деловые и товарищеские отношения. Мы готовы продолжать это дело”, — так завершил беседу с нами Г.Гюльбудагян.

В.Акопян

Grant Thornton Amyot has taken up responsibility to educate young professionals

Recently the Armenian media has frequently mentioned the issue of Corporate social responsibility (CSR) implemented by the leading companies. More often these publications concerned the CSR activity of one of the leading audit and consulting companies in Armenia, Grant Thornton Amyot. And this is not incidental, since by the opinion of Gagik Gyulbudaghyan, Partner at Grant Thornton Amyot, CSR projects have a strategic meaning for the company. In our interview Mr. Gyulbudaghyan especially emphasized the programs aimed at education of young professional within their CSR policy. It is conditioned by the fact that Grant Thornton Amyot, as a company which plays an important role in the audit and consulting market of Armenian economy, has taken up responsibility to educate young professionals, regardless of whether they will in the future work in Grant Thornton or not.

According to Gagik Gyulbudaghyan, within the scope of such programs many interns are invited to Grant Thornton Amyot from Armenian and foreign educational institutions. These young people are granted with an opportunity to be in one of the leading companies of Armenia from one to three months, to get acquainted with highly qualified specialists, to apply the theoretical knowledge gained at the university in practice and in business, which will allow to ease their future entrance to the employment market.

“Our goal it to invite as many young people as possible and give them the opportunity to learn the practical working style and methods of the leading company in our sphere”, said the Partner of Grant Thornton Amyot and added that in this sphere they cooperate with the French, American, Yerevan state and economic universities. Naturally, Grant Thornton Amyot tries to involve perspective students with good academic performance, also with consideration of employing them in the company in the future. We found out in the course of the conversation that during such cooperation with the French university the company even provided some financial support to several students and covered the expenses of education for some of them. In fact, two of them later joined the company as employees. G. Gyulbudaghyan informed that each year 20-25 interns are hosted at the company. It is clear that certain investments are needed for such programs, since having simultaneously 8-10 interns in the company means also provision of working desks, computers, allocation of professional to work with them, etc. The monetary reflection of the investments was not mentioned, however, obviously they are not small. As to involvement of young professional from abroad, this program is implemented within the framework of the exchange program of young professionals of AIESEC. The cooperation of Grant Thornton Amyot and AIESEC continues for already 8-9 years. Within the scope of such programs with duration from 3-6 months the company has hosted young professional from Brazil, Belgium, Germany and even African countries. This also requires rather large investments related to provision of accommodation and working conditions to interns. However, G. Gyulbudaghyan thinks that through such projects Grant Thornton Amyot tries to increase the interest towards Armenia.

“Young professional working in our company also with work with their colleagues from other countries with great interest, we are happy that we can ensure cultural diversity, contribute to exchange of experience and creation of friendly contacts, and are committed to continue doing it”, said Mr. Gyulbudaghyan, summarizing our interview on CSR projects.

CSR Initiatives

International Business Report 2007 & 2008

For already two years Grant Thornton Amyot has conducted the survey of International Business Report (IBR) 2007 & 2008 in Armenia, as part of the International Business Report issues by Grant Thornton International.

The International Business Report (IBR), formerly known as the International Business Owners Survey (IBOS), provides insight into the views and expectations of over 7,800 privately held businesses across 34 countries. This unique survey draws upon 16 years of trend data for original participants of IBR's predecessor the European Business Survey (EBS) and 6 years of trend data for original participants of IBOS. Topical reports for IBR explore the impact of emerging markets such as Brazil, India, Russia and China (BRIC) on the world's economy, as well as business performance, energy and environmental issues, business stress, women in business, increasing business risks, recruitment and retention and others.

In 2008 the IBR report also covered one important topic that is fairly new to the Armenian business environment: the Corporate Social Responsibility.

IBR surveys the opinions and expectations of chief executive officers, managing directors, chairmen or other senior executives of medium to large sized privately held businesses. The survey coverage includes:

- telephone interviews (except where culturally inappropriate)
- interviewing owners, CEOs, managing directors or equivalent
- G8 countries (Canada, France, Germany, Italy, Japan, Russia, UK, and US)
- majority of the world bank's top 20 economies
- 34 participating countries in total including Brazil and Armenia since 2007
- over 7,800 interviews conducted
- 83% world GDP.

The IBR is a source of alternative information for businesses, providing them, in the beginning of the year, with an opportunity to think deeper into the areas of concern addressed through the range of questions, as well as get an insight on what is a top priority for businesses worldwide.

Grant Thornton International continues its commitment to UNICEF

Grant Thornton International has continued its commitment to UNICEF with its latest donation of US\$39,980. It gave US\$5 for each completed response by businesses all over the world to the Grant Thornton International Business Report (IBR) 2008. This is the second year Grant Thornton International had raised money for UNICEF in this way and donations to date amount to more than US\$70,000.

UNICEF is dedicated to giving children equal learning opportunities - around the world some 115 million children miss out on their right to go to school. UNICEF focuses on gender equality and works towards eliminating disparities of all kinds with their programmes targeting the world's most disadvantaged children.

David McDonnell, chief executive officer of Grant Thornton International said, "We are proud to continue our support of UNICEF, in particular their educational activities. Education is a valuable investment in the future of economic development and social stability. A total of 7,800 businesses responded to our International Business Report, and we are pleased to contribute to such a worthwhile cause."

Anne Shinkwin, head of corporate fundraising at UNICEF said, "We are delighted to accept this wonderful donation and continued support from Grant Thornton International. UNICEF is not funded by the UN and we rely on voluntary donations to fund our work for children. These funds will allow UNICEF to continue providing vital services to the world's children and help them to reach their full potential."



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