

COMMUNICATION ON PROGRESS

2009

JOINT LATVIAN – UK COMPANY ZYGON BALTIC CONSULTING LTD

Date: **January, 2010**

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Zygon Baltic Consulting
ZBC
Latvija



Riga, 19th January 2010

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 2009 is a statement of our commitment.

Sincerely yours,



Mrs Elvita Rudzate

Member of the Board

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1. THE COMPANY PROFILE

Company Name	Zygon Baltic Consulting					
Organization	Ltd					
Legal Address	Pulkv.Brieza street 19/1					
ZIP code, City	LV 1010, Riga					
Country	Latvia					
Telephone	+ 371 67321615					
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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:

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2. OVERVIEW

History of the company starts back in 1996 when “Zygon Consulting”, a company from the United Kingdom, launched a project with the “Latvian Chamber of Commerce and Industry” to introduce the Quality Management System according to the international standard ISO 9000. The project built strong associations between the colleagues from Latvia and Great Britain and as a result the company “Zygon Baltic Consulting” (hereafter - ZBC) was founded on the **20th of May 1998** in Riga, Latvia.

The scope of supply according to our certified Quality Management System is “Consultancy and professional training in quality, environmental, occupational health and safety, human resources, strategic, food safety and project management, as well as implementation of international standards. Person certification.”

In 1999 and 2000, ZBC received **the awards** “*Consultant of the Year 1999*” and “*Consultant of the Year 2000*” from the Latvian Association of Business Consultants. At present, we are on the Board of Association.

In 2002, ZBC established **the Training Centre**. Currently, we organize seminars and training courses on the following themes: Quality management, Occupational health and safety, Human resource management, Environmental management, Food safety management, Strategic management (Balanced ScoreCard), Risk management, Project management, Business Excellence Model (EFQM), etc.

In 2005, **the Work Safety Provision Centre**, the Competent Institution in work safety, and **the Person Certification Centre** were established as departments of ZBC. However, due to the current economical situation, the Work Safety Provision Centre was closed on January 1, 2009.

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.

Since June 2008 “Zygon Baltic Consulting” Ltd is recognized as Investors in Excellence.

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

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

The period 2008-2009 in the company’s overall activity can be marked with a surviving position, putting the key emphasis on trying to maintain relative stability in the current economical circumstances. A number of the launched projects finalized in 2009. The company keeps a flexible and open vision to opportunities, taking part in several national tenders. Out of 25 tenders in 2009, ten were approved and resulted with a contract. The company’s register of business results is regularly updated, keeping the track of potential projects and the result (approved vs. rejected).

ZBC has formed partnerships with European organizations of professional education, training or consultancy to participate in international projects (e.g., Lifelong Learning programme, Leonardo da Vinci initiative, application for Partnerships and Transfer of Innovation).

3. TEN PRINCIPLES OF THE GLOBAL COMPACT

3.1. HUMAN RIGHTS

PRINCIPLE 1 “*Businesses should support and respect the protection of internationally proclaimed human rights*”, and

PRINCIPLE 2 “*Make sure that they are not complicit in human rights abuses*”.

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

The current economical instability in the state has also affected the company’s personnel management and staff turnover – several employees have left their job looking for a different scope of activity.

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 own initiative and interest to search for 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.

At the end of 2009, ZBC took part in the initiative supported by the European Union and the European Social Fund, administrated by the State Employment Agency and aimed at **promoting professional education** among part-time employees who have encountered reduction of working time at their workplaces. As a preventive activity for promotion of employment, ZBC Training Centre has been providing e-learning programmes “*Entrepreneurship and Self-employment*” and “*Work Safety*” for 70 trainees. The State Employment Agency has envisaged that by the end of 2013, in total 11 000 part-time employees will have received professional training in Latvia.

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

3.2. LABOUR STANDARDS

PRINCIPLE 3 *“Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining”*,

PRINCIPLE 4 *“The elimination of all forms of forced and compulsory labour”*,

PRINCIPLE 5 *“The effective abolition of child labour”*, and

PRINCIPLE 6 *“The elimination of discrimination in respect of employment and occupation”*.

Upon entering the employment relationship at ZBC, both parties, the employee and the employer, sign **the Employment Contract** which has been drawn in accordance with the Law of Labour of the Republic of Latvia stating the terms and conditions of the services, the main responsibilities, the salary (which is annually revised according to the results of Model of Competences), the working time, the annual paid leave, settlement of disputes, termination etc. No practice of forced or compulsory labour or child labour has ever been applied within the company and no discrimination of gender, nationality, age or any other kind has ever occurred. These principles are strictly observed within the company.

In 2009, the results of the project **“Trade Union as Defensive Mechanism of Labour Market in Free Labour Force Mobility”** were achieved. The project was implemented in 2006 - 2009 in close cooperation with the Free Trade Union Confederation Latvia and project partners from Ireland, Germany, Spain, Denmark, and Sweden, within the framework of Leonardo da Vinci programme. As a result, two training programmes were developed for promotion of better integration of workers in the national labour market in terms of workers' mobility. The direct target group of the project were Trade Union members, students of vocational schools, and the

unemployed. The aim of the project complied with one of the strategic priorities of the programme - development of the European labour market, with the project targeted towards incorporation of the labour force in the common European labour market increasing the knowledge and awareness about conditions and factors of the labour market in each of the partner states.

Labour safety is an integral part of the Regulations of the Company. The employees have to observe the labour safety instructions and take part in internal monitoring of the working environment and inform the specialist of labour safety on any risks, accidents or emergencies of the working environment at the company.

According to the international standard OHSAS 18001 – **Occupational Health and Safety Assessment Series** – ZBC has been implementing systems of occupational health and safety in enterprises. The occupational health and safety (OH&S) system enables the organization to control its risks and improve the performance. It is applicable to any organization that wishes to eliminate or minimize risks to its employees and other parties who might be exposed to these risks. The system facilitates management of the OH&S risks associated with the business of the organization. This includes the organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, reviewing and maintaining the organization's OH&S policy. In 2009,

In 2009, **application for the Partnership project** “*Occupational Safety and Healthy*” was submitted in Lifelong Learning programme, Leonardo da Vinci action, with the leading partner Yunus Emre Vocational and Technical High School. Objectives of the potential partnership would have involved providing the occupational health and safety at vocational education and enterprises uppermost level; decreasing the occupational accidents, occupational diseases related to the employees and the loss of labour force; improving the working environments and working conditions; providing the improvement of risk consciousness and risk prevention at enterprises and vocational education organizations; preparing educational materials and increasing the awareness by sharing experiences. Unfortunately, the project was not approved.

3.3. ENVIRONMENT

PRINCIPLE 7 “*Businesses should support a precautionary approach to environmental challenges*”,

PRINCIPLE 8 “*Undertake initiatives to promote greater environmental responsibility*”, and

PRINCIPLE 9 “*Encourage the development and diffusion of environmentally friendly technologies*”.

ZBC has not undertaken any action that could cause harm to the environment. Since the scope of our activity is training and consulting services, no manufacturing process takes place. ZBC observes the principle of environment by providing services of developing and implementing **Environmental Management Systems** according to the international standard ISO 14001 in production enterprises. Implementation of such systems focuses on environmental policy, environmental aspects, monitoring, evaluation of compliance, preventive activities and a continual improvement, etc. As a result, the policy of Environmental Management System includes a commitment to continual improvement and prevention of pollution; a commitment to comply with the applicable legal requirements which relate to the environmental aspects; to communicate to all persons working for the organization; and to be available for the public. The organization has to identify the environmental aspects of its activities that it can control and influence, and determine the aspects that have a significant impact on the environment. The organization has to ensure that these aspects are taken into account when establishing, implementing and maintaining its environmental management system.

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

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

3.4. ANTI-CORRUPTION

PRINCIPLE 10 *“Businesses should work against corruption in all its forms, including extortion and bribery”*.

The company observes the principle by a clearly defined and transparent system of examination, evaluation and certification of the candidates at the Personnel Certification Centre of ZBC. To exclude the possibility of conflict of interests, **the Certification Commission** has been formed. The aim of the Commission is to give a fair and objective evaluation of the candidates according to the approved certification schemes. An obligatory principle of the Commission is to observe the confidentiality. All examinations and related documentation are maintained in a secure environment by the Personnel Certification Centre.

The employees and subcontractors of the company observe **the Code of Good Working Practice** at ZBC which states the main principles of communication with the clients. The Code of Ethics for Consultants is binding and complies with the European Code of Ethics for Consultants approved by the Latvian Association of Business Consultants. The Code of Ethics states that no financial or any other kind of interests may influence the quality of work. A constant objectivity is mandatory. Any information regarding the client's company is confidential.