



THE GLOBAL
COMPACT



HAI CONSULT
Consulting Fund

HAI CONSULT CONSULTING FUND

Communication on Progress
Year: 2008 - 2009

STATEMENT OF CONTINUED SUPPORT

This Report is aimed at fulfilling Hai Consult CF's first reporting requirement to the UN Global Compact and reporting on our commitment in corporate responsibility efforts. We are glad to participate in this network and present the short enlightenment of our activities in that sphere. The first efforts were made in 2006 and started to implement "Corporate Social Responsibility concept introduction in Armenia" project.

Enhancing our reputation and profile is a quantifiable asset, which directly translates into profit. The benefits from acting as socially responsible organization include the enhancement of Hai Consult CF's reputation in the eyes of our partners and customers as well as increasing their trust in us as a company to do business with, greater customer loyalty and satisfaction. Hai Consult CF's takes an active role in informing both internal and external stakeholders of our business and social achievements. We are promoted through the local media (TV and press) and at events and exhibitions, publications. We have developed good relationships with the local community and international partners as well as contributed to the development of the region we are a part of through providing high quality services.

Having 11- year experience, Hai Consult CF also recognizes that good environmental performance delivers tangible business benefits such as improved reputation with customers and goodwill with the community. That is why we are on the way of adapting and training others on applying new approaches in business from environmentally safe aspect. Hai Consult CF has formed unit of "Occupational Health and Safety consulting, information and training center", which provides consultancy and trainings for improving the companies' conditions on the issues of work safety. Trainings are actualized due to certain sectors of economy (mining, construction, IT, infrastructures, food processing companies etc).

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Brief description of nature of business

"Hai Consult" Consulting Fund was established in 1997.

The Fund provides independent and impartial business consultancy for micro, small, medium and large companies regardless of type of property.

The Fund doesn't have productive, financial, commercial or other benefits, which may throw a shadow on its impartiality and independence, and the pledge of these features is the image of highly qualified and honest personnel. For achieving the main goal, as well as taking into account new strategic approaches, "Hai Consult" Consulting Fund is concentrating on the following core areas:

- **Consultancy on Occupational Health and Safety, Organization of Seminars**
- **Consultancy on development of employment contracts in accordance with Labor Code**
- **Engineering consultancy**

- **Legal Consultancy**
- **Development and implementation of Quality Management Systems in enterprises against ISO 9000, OHSAS18001, HACCP, ISO 14001, ISO 22000:2005**
- **Training programmes**
- **Market research, strategic planning, carry out of researches and surveys**

- **Restructuring and reconstruction of enterprises**
- **Business development and restructuring plans**
- **Human Resource Management and Leadership**

As an aspect of human rights protection "Hai Consult" Consulting Fund's services are useful for top management of companies and employees of management sphere. The Fund assists them to apply present international experience in the fields of business planning and development, quality management, export promotion, personnel selection and training, markets search and research, negotiations conducting, drawing of contracts and preparation of reporting documentation, restructuring of enterprises.

Joining the United Nations Global Compact initiative comprised another important step. Our membership in the UN Global Compact is like a signal to our employees and other stakeholders that we take our commitment to the sustainable development of "Hai Consult" Consulting Fund's business seriously.

PRINCIPLE 1	BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS
Actions	Actions taken
	<p>Commitment: Our company expresses the respect towards the protection of internationally proclaimed human rights by taken its responsibility in this filed</p> <p>System: We have implemented a system for checking and recording that all international employees involved in various projects are paid minimum wage and to avoid excessive overtime hours.</p> <p>Activities: As a result the following activities can be observed:</p> <ul style="list-style-type: none"> • Provision of safe and healthy working conditions for all local and international workers • Provision of access to basic health, education for all workers • Work to protect the economic livelihood of local communities
Outcomes	Measurement of (expected) outcomes and value added for our company
	<ul style="list-style-type: none"> • Company policy and strategy to support human rights and fair working conditions • Human rights management system

PRINCIPLE 2	BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES
Actions	<p>Actions taken</p> <p>Commitment: Within the scope of this voluntary alliance, we strive to uphold human rights and fair labor conditions.</p> <p>System: According to the article 39 of law on Foundations of RA, adopted in 26.12.2002 “Hai Consult” Consulting Fund publishes annual report in newspaper, which enlightens the Fund’s actions carried during the a year. For example the annual report of 2008 has been adopted in march 2009 by Trusty’s Board . We believe that via team spirit and transparent attitude with personnel and partners, “Hai Consult” CF can achieve good results.</p> <p>Activities: The practical activities undertaken in the past two years are:</p> <ul style="list-style-type: none"> • Regular retreat sessions with Hai Consult” CF staff on human rights • Human rights assessment at Hai Consult” CF and in other companies in the scope of various consulting, evaluating and research projects • Recommendations’ provision on how the certain company does and how to identify the risk of involvement in human rights abuses and the company’s potential impact on the situation • Ongoing staff training on how human rights issues can be affected by business • Ongoing staff training on internal company policies as they relate to human rights • Hai Consult” CF’s specialists periodically participate in the discussions and challenges of ILO conventions, trafficking, HIV/AIDS, OHS, environmental, anti - corruption and other issues.
	Outcomes

PRINCIPLE 3	BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT OF COLLECTIVE BARGAINING
Actions	Actions taken
	<p>Commitment: “Hai Consult” Consulting Fund has a representative from trade unions, which protects the rights of employees in the organization. The employer of the company and the staff of the company's TU signed a collective agreement for 2009-2011. The collective agreement consists of the following parts:</p> <ol style="list-style-type: none"> 1. Introduction 2. Labour contract 3. Worktime 4. Break 5. Salary 6. Work conditions 7. Relations between employer and TU 8. Conclusions <p>The two sides are obliged to accept and respect the rights of each side and to perform their responsibilities fairly.</p>
Outcomes	Measurement of (expected) outcomes and value added for our company
	GRI LA 4 Percentage of employees covered by collective bargaining agreements

PRINCIPLE 6	BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION
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Actions	Actions taken
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Commitment 1: Hai Consult CF commits with this principle in terms of elimination of any discrimination in respect of employment and occupation inside and outside the company by proclaiming norms and regulations via Code of Conduct development as well as by training others in these issues.

Commitment 2: Hai Consult CF has formed unit of “Occupational Health and Safety consulting, information and training center”, which provides consultancy and trainings for improving the companies’ conditions on the issues of work safety and implements OHS management systems (OHS 18001; ILO-OSH 2001). Trainings are actualized due to certain sectors of economy (mining, construction, IT, infrastructures, food processing companies etc). ILO is interested in this actions.

System1: Hai Consult CF proclaims high-level responsibility for equal employment opportunity issues, clear business policy and procedures to guide equal employment opportunity practices, not depending on the gender, age, cultural, geographic, socio-economical origin, or religion of the employees.

Activities: Hai Consult CF organized and provided educational or awareness programs on themes of HR management, Labor Code, Rights Protection, Gender Issues, Empowerment including equal job and professional opportunities at all levels in the organizations, without discrimination due to gender, age, race, cultural, geographic or socio-economical origin, religion, or others, of the employees inside and outside of the country to clients. It is worth mentioning that Hai Consult CF has much experience in publishing different books, articles, brochures in Armenia and abroad which are related to the protection of employers and employees as well as to the youth employment. A brochure on “Advices for choice of proper education and for promotion in the labour market” was published to give advice to young people and for representing and protecting their rights. It includes the following chapters: “Know your rights”, “OHS” (responsibilities of employers and employees), Salaries , etc
 For two years Global Compact UNDP Armenia office has preformed program “Youth Career Trail ” and Hai Consult assisted the students who graduated from the universities to make practice for 6 months in Hai Consult CF. At the end of the program two participants were hired to work as employees.

Outcomes	Measurement of (expected) outcomes and value added for our company
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- As a result, Hai Consult CF employees gained additional skills through attending extra trainings
- Many trained people gained special skills on Human Resources and Gender, including equal job and professional opportunities, on discrimination disadvantages at work and in businesses, provided by Hai Consult CF during the last two years.

PRINCIPLE 7		BUSINESSES ARE ASKED TO SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES	
Actions	Actions taken		
	<p>Commitment: Hai Consult Consulting Fund is not just a related company on environmental performances, but provides consultancy to companies of high risks. Especially it provides consultancy to the the companies of mining field. Hai Consult CF has much experience in developing and implementing QMS according to ISO 14001 standard in the companies. Hai Consult CF staff periodically passes training courses on environmental issues, conducted by international organizations, and international experts.</p> <p>Activities: In scope of this initiative we made the following activities:</p> <ul style="list-style-type: none"> • Organize trainings for the staff according to ISO 14001 • Conduct training for the staff of the company, where the QMS is implemented 		
Outcomes	Measurement of (expected) outcomes and value added for our company		
	Management culture development in the sphere of environment protection in the companies.		

PRINCIPLE 8	BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY
Actions	Actions taken
	<p>Commitment: As part of our environmental commitment, serving as an example we train others to use and make environmentally safe tools and activities.</p> <p>System: Development of consulting services and trainings on:</p> <ul style="list-style-type: none"> • adoption of voluntary charters, codes of conduct • how to work with suppliers to improve environmental performance • introduction of the elements of improving environmental management systems <p>Activities: In scope of this initiative we made the following activities:</p> <ul style="list-style-type: none"> • Supply chain management and collaborative projects with suppliers and processors in agricultural sphere developed • Ideas and proposals on environment issues developed
Outcomes	Measurement of (expected) outcomes and value added for our company
	<ul style="list-style-type: none"> • GRI SO 5 Public policy positions and participation in public policy development and lobbying- Positive and appreciated interests and feedbacks from projects and trainings' participants and their willingness to apply the trained material in practice, e.g. less use of chemicals, periodical cleaning activities, proper and effective use of water. <p>Supporting sustainable development country program.</p>

PRINCIPLE 10	BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY
Actions	<p>Actions taken</p> <p>Commitment: We commit to taking anti-corruption measures and eliminating any display of corruption. Hai Consult CF believe that transparency is the only way forward for a better economy.</p> <p>System: In the company, it is clearly fixed that no employee is allowed to deal with any corrupt practices especially in the areas of procurement, payroll, contracting, and deals. In the moment of the new employees' recruitment, they are informed about prevention of corrupt practices in all types.</p> <p>This approach is stated in human resources management systems (as the Code of Conduct) supporting the ethical behavior of employees</p> <p>Activities: The practical activities undertaken in the past two years are as follows:</p> <ul style="list-style-type: none"> • Internally the top management controls upon the all expenditures to ensure that all the budgets are spent properly according to company's policies and plans. • Externally it is not permitted any sort of briberies and extortion • Training of employees and clients (e.g. a training program for all employees regarding how to identify bribery and corruption)
	<p>Measurement of (expected) outcomes and value added for our company</p> <p>GRI SO 4 Actions taken in response to incidents of corruption.</p> <p>GRI SO 5 Public policy positions and participation in public policy development and lobbying.- Hai Consult CF's participation in public discussions on anti-corruption theme . Improvement of legislation regarding inspection procedures.</p>
Outcomes	

PRINCIPLE 4	BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR
PRINCIPLE 5	BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR
PRINCIPLE 9	BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

It is not yet relevant to Hai Consult CF business. In future it is planned to be a part of the rest principles.

How do you intend to make this COP available to your stakeholders?

The COP will be shared with the company's stakeholders through usage of various tools. Our stakeholder are staff, external experts, shareholders and clients and partners. The company's achievements in the area of responsible entrepreneurship will be primarily announced to the public in seminars, workshops, staff and general meetings, as well as via internal notice boards and memos, UN Global Compact website, brochures, newsletters, business magazines and press releases. We have a very open communications strategy and policy. We tell our personnel, clients, partners and other groups about our achievements and activities by using the mentioned tools.