

Global Compact Communication on Progress

Microinvest is a microfinance limited liability company established in 2003 in the Republic of Moldova by the Soros Foundation Moldova and Moldova Microfinance Alliance.

Its purpose is to develop Micro and Small Enterprises (MSEs & SMEs) in the Republic of Moldova. Through all the years of its activity Microinvest has proven a dynamic and sustainable growth, succeeding in adequately responding to the specific needs of the MSE & SMEs.

MFO „MicroInvest” LLC, is a company that strives to implement all new and effective patterns of doing business.

As of the end of 2009, as presented by National Commission for Financial Markets Microinvest held a leading position by the amount of assets and loans disbursed. In its way to the present market position, the company always tried to develop and implement policies that would lead to a win-win relationship not only with its clients, investors, shareholders but also with its employees and community where all these persons live.

We strongly believe that a company should take care not only for its revenues but also should simultaneously contribute to the development of the society and community within each of it operates.

In all years of activity Microinvest has developed and adjusted internal procedures and regulations in compliance with the national and international policies regard Human Rights, Labour, Environment and Anti –Corruption.

HUMAN RIGHTS

Principle 1: Protection of Human Rights

Microinvest share the same approach to the antidiscrimination vision, and it strictly follow the Articles from Labour Code that states: “the company acts in regard of the principle of equality in rights of all its employees. The discrimination in salary, sex, age, race, religion... is prohibited. The company has to assure the equality of employees, for promotion, taking into account the work efficiency, qualifications and seniority in specialty, also for the trainings, improvements in field.

The company is strongly committed to protect Human Rights not only because the Moldovan Labour Code states that: “...the employer have to provide the right of each employee to equitable work conditions, including conditions that are at the level required by labour protection and hygiene of work...”

In this way to support the basic principle of human rights, MicroInvest has assured each of its 16 branches with the necessary equipment as tables, chairs,

computers, printers, faxes, phones, in order to perform required tasks. Also each branch has air condition, electricity, heat and access to drinking water.

LABOUR

Principle 4: Forced and Compulsory Labour

As the Labour legislation identifies the forced labour – “...the work or service imposed to one under threat or without its consent”.

The employees of the company are asked to perform their tasks in strict relation to the work schedule. The work day starts at 9 a.m. and the end of the work day is at 6 p.m.

Also the company states in its internal regulations that a person that perform a work or service on behalf of Microinvest will be paid as the labour laws stipulates, that may include:

- Salary;
- Profit and performance related bonus;
- 28 days annual leave per year;
- Thanks;
- Gifts;
- Honorary degree, etc..

The internal policies prescribe the length of the working day as follow: “Normal working program within the company is 40 hours per week. The length of a working day is 8 hours, within the five-day working per week, with two rest days – Saturday and Sunday”.

The internal regulation states that it complies to the national Labour code and with the statements about “...the guarantee of the right of each employee to the equitable and timely payment of the salary...”

ENVIRONMENT

Principle 7: Business should support a precautionary approach to environmental changes

Microinvest is a company not involved in any kind of production, construction, recycling or other harmful for environment activity but our commitment to the area of Environment from the perspectives of UN is an integral part of principles that Microinvest follow. We are strongly committed to the environmental changes that were caused by

The environmental friendly approaches we set up in the contract with our clients. These contractual clauses are generalized in the following one the following one: The clients should not be involved in any of Activities that will cause further environmental damages.

This generalized approach was suggested to us by our investors. Our investors are companies that support global environment protection initiatives, they are very eager to develop a better society and healthy environment.

The Company, as is stated in agreement with our investors, has to take care of that the funds are not used to finance the following:

- Production or trade in radioactive materials;
- Production or trade in or use of unbounded asbestos fibers¹;
- Production or trade in wood or other forestry products from unmanaged forests;
- Production or trade in products containing PCBs²;
- Production, trade, storage or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals³;
- Production or trade in pesticides/herbicides subject to international phase outs or ban⁴;
- Production or trade in ozone depleting substances subject to international phase out⁵;
- Drift net fishing in the marine environment using nets in excess of 2.5 m in length.

ANTI –CORRUPTION

Principle 10 –Corruption: Business should work against corruption in all its forms, including extortion and bribery.

As a company that has as its staff entrepreneurs that support entrepreneurs, so that it does not support bribing, because it leads to discouragement and destruction of the society we live in from inside. Also having as a main goal supporting poor people we have an obligation in front of the society.

Peter Eigen said: “Corruption is a major cause of poverty as well as a barrier to overcoming it. The two scourges feed off each other, locking their populations in a cycle of misery. Corruption must be vigorously addressed if aid is to make a real difference in freeing people from poverty”.

¹ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

² PCBs: Polychlorinated biphenyl’s –a group of high toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgears dating from 1950-1985.

³ The list of hazardous chemicals is available from e.g. IFCs Environment Division.

⁴ The list of pharmaceutical products subject to phase out or bans is available from e.g. IFCs Environmental Division.

⁵ The list of pharmaceutical products subject to phase out or bans is available from e.g. IFCs Environmental Division.

The company's main value is to be professional in everything it does. So that, the company states in its internal regulations that it is prohibited to the employees:

- To develop activities as employees or service providers of other juridical and/or legal persons, during the working hours;
- To receive from citizens or employees money or other valuable things for activities performed during the working program.

As a medium size company we have impact on the local level –on communities we operate in. We implement these principles in the work of our clients through dialogs with them, trying to make them to follow our vision and mission.

We strongly believe that the conduit we have will be a pattern to follow for our clients most of whom are young-aged people that just have started their business activity.