



## Global Compact

# COMMUNICATION ON PROGRESS 2008



**INet** – excellence in technology

Skopje / R. Macedonia  
June 2009



Authorized Distributor &  
Authorized Warranty  
Service Provider (for  
Macedonia and Kosovo)



Authorized Distributor &  
Authorized Warranty  
Service Provider  
(for Macedonia and  
Kosovo)



Channel Partner  
(for Macedonia, Serbia  
Albania, Kosovo, BIH and  
Montenegro)



Advanced Partner  
(for Macedonia,  
Albania and  
Kosovo)



Red Hat – Certified  
Training Partner  
(for Macedonia,  
Albania and  
Kosovo)



Premium Partner  
(for Macedonia, Albania  
and Kosovo)



Authorized Distributor

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**INet - Skopje**

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**Short Description of the business:**

Distribution and implementation of computer, network and communication equipment, covering all the areas of information technology and telecommunications

**Date:**  
01.07.2009

**Membership date:**  
January 2005

**Number of employees:**  
15

**Industry:**  
ICT - Information and Communication Technology

**Statement of continuing support for the Global Compact from the Chief Executive Officer**

Given the facts of the downturn in the global economy we were seriously challenged to continue with our business, as for businesses everywhere. That is why we had had to take measures to control costs and minimize the impacts, and try to remain confident that we are well-positioned for long-term sustainable success; with a diverse product range and a healthy financial position.

As a result of all this facts, we had often questioned whether we would reduce or even abandon our Sustainability program. Indeed, we are increasing our efforts in each of our key focus areas.

In addition, we are helping our employees to lead healthier and more active lives. We are expanding opportunities for employee participation in programs we organize. We intensify our efforts to improve workplace safety given the unacceptable situation in emerging markets. We continue to find new and better ways of managing the aspects of the business which contribute to sustainability. In particular, we continue to support the UN Global Compact. In this report, we outline our progress in 2008 – our achievements and areas for improvement. We followed the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) and assess our approach to reporting. We continue to develop our approach, learning from the opinions of our many diverse stakeholders. As always, we welcome your comments and suggestions.

The Company collaborates with suppliers, customers, employees and communities to better understand and manage its impacts.

These impacts are summarized below, along with key activities and results for 2008.

**INet**  
**Executive MBA, Managing Director**

**Toni Petreski, MBA**

# HUMAN RIGHTS



### 1. HUMAN RIGHTS:

#### Principle 1.

*Business should support and respect the protection of internationally proclaimed human rights within their sphere of influence;*

#### Principle 2.

*Business should make sure they are not complicit in human right abuse;*

#### 1.1 INet's Commitment and Systems toward fulfillment of these principles:

We are committed to support and respect human rights by incorporating international human rights in our every day operations, including policy and practice linked to legal obligations and voluntary practice such as provision of health insurance to workers, implementation of worker safety regulations, positive involvement in communities in which they operate and support for the rule of law and transparent and fair legal systems, donations and sponsorship on diverse initiatives and events, etc.

#### 1.2 INet's Practical Action toward fulfillment of these principles & Measurements of Outcome:

- We have Corporate Giving Program which invests volunteer, cash and in-kind support in communities where our associates live and work. These investments are directed to innovative programs to promote education and economic self-sufficiency, to ensure quality of life and improve the health and well-being of citizens. This program, guided by our corporate values of teamwork, respect, accountability, integrity and innovation, focuses on three areas:
  - Education  
Support is targeted at scholarships, computer science, distribution management and other programs that promote economic self-sufficiency. We were actively involved in 5 year project for creating an education portal to link the school communities in a virtual working environment. It was organized by United States Agency for International Development. For our successful engagement INet received a plaque of acknowledgement in the project "e-school", for improving the quality of education in Republic of Macedonia. The project was closed on 31st of March. The 6000 computers and 460 servers donated by the Government of China were installed in primary and secondary schools through out all over Macedonia. As a result the basic information and communication technology infrastructure was implemented.  
INet Inc. was honoured being part of this project, providing through it digital opportunity for Macedonia, and bringing the potential of information and communication technology (ICT) in the way people live, learn, and work.
  - Health and Human Services  
Support is targeted at community-based social and health service agencies for specific programs. A significant portion of the support granted in this area will be channeled through INet's investment. INet made a donation for support of the international education program for Macedonian Maxillofacial Surgery Association;
  - Arts and Culture  
Program support is targeted at performing art centers and cultural organizations. General operating support and requests to underwrite performances and exhibitions will not be considered. INet made a donation for translation of two booklets "Truths about Drugs" on two languages - English and Albanian, for support of the campaign "Say YES to Life, Say NO to Drugs", organized by the Civil Association "Feniks-8".

We were awarded for the second time with Certificate for Good Corporate Governance. “Transparency – Zero Corruption” in cooperation with Chambers of Commerce of North West Macedonia within the activities for implementation of the Declaration “Zero” Tolerance for the Corruption, staged election for companies with good corporate governance on which INet was selected and awarded for the second time, with, certificate for its good corporate governance.

- INet has developed benefits programme for its employees.
- INet does not authorize, nor tolerates or knowingly ignore the human rights violations of one of its business partners, committed in the furtherance of the two party’s common business goals.

This is stated in its Code of Conduct:

Dealing with suppliers, customers and others – gifts, meals, entertainment and payment:

All contacts and dealings with customers, suppliers, and potential suppliers must be conducted so as to avoid even the appearance of impropriety or violation of any applicable law or any other act or this Code (Referring to the INet’s code of conduct which sets out the policies and procedures for the fair and honest business practices and behaviour that INet expects from its staff).

- INet aligns its behaviour with the expectation of its stakeholders.
  - Principle 6 of Corporate Governance Code:  
The Company takes into consideration the interests of the Company’s stakeholders and has a [Code of Conduct](#) that regulates the Company’s relationship with its stakeholders.  
6.1. The stakeholders, in particularly the employees, may freely communicate with the Board of Directors about their concerns related to illegal or unethical practices and their rights are not compromised by doing this;
  - Principle 8 of Corporate Governance Code:  
The Board of Directors is responsible for the strategic guidance of the Company, the effective monitoring of the management, and the Board’s accountability to the Company and the Shareholders.

INet is rewarded with Certificate of Recognition for its contribution to the philanthropy in Macedonia, for the second year in a row. For Corporate Philanthropy Award in the subcategory Corporate Philanthropy for small and medium enterprise 2008, INet got in the short list of nominated finalists and gained the certificate.. The Certificate of Recognition is reassurance that the implemented activities of INet create better standard of leaving.

### **1.3 INet’s plans for continual fulfillment of the human rights principles:**

- INet plans to continue providing donations and sponsorship in order to educate Macedonian Audience in the area of Information Society development and electronic data transfer;
- INet plans to develop measures for operation’s influence on human rights;
- INet plans to provide training for company internal politics regarding human rights to its employees;
- Having forward looking strategy for full satisfaction of its stakeholders, INet. plans to develop fully functional information system for its partners;
- INet will not authorize, nor tolerate or knowingly ignore the human rights violations of one of its business partners, committed in the furtherance of the two party’s common business goals.
- INet will continue to foster openness and dialog with its businesses; governments, academia and civil society representatives to proactively define What, Why, When and How could be done to accelerate CSR.



## 2. LABOR STANDARDS

### Principle 3.

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

### Principle 4.

*Elimination of all forms and compulsory labor;*

### Principle 5.

*Effective abolition of child labor;*

### Principle 6.

*Eliminate discrimination in respect of employment and occupation;*

### 2.1 INet's Commitment and Systems toward fulfillment of these principles:

INet is an employer that is providing its employees with a benefit program responsive both to the diversity of its community and to the many life changes individuals experience during their employment. Qualified employees are eligible for the majority of benefits immediately upon hire.

### 2.2 INet's Practical Action toward fulfillment of these principles & Measurements of Outcome:

- INet practises equal treatment for each employee both in terms of gaining access to employment and in the treatment of employees once they are at work. Employees are selected on the basis of their ability to do the job and there is no distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin. Each employee with respect is equally treated to the terms and conditions of the employment such as: equal remuneration, hours of work and rest, paid holidays, maternity leave, security of tenure, advancement, social security, and occupational safety and health.



- INet gained First prize for Human Resources Development on the third Annual Management Summit held on 20. November 2008. The goal of the summit, organized by Human Resources Development Fund was to stress the importance of continual motivation of employees as a primary factor for enterprise productivity. More than 220 representatives of Small and Medium Macedonian enterprises had an opportunity to share their experiences regarding human resources development in their companies. „We are aware of the fact that human resources are our most powerful weapon. That is why, INet as an employer has developed benefit program responsive both to the diversity of its community and to the many life changes individuals experience during their employment. The reward is a result of continual long term company investments in human resources development and it will serve as an drive for further investment in human capital “ – said Nadezda Dimitrovska, Chief Operating Officer of INet.





- INet contributes a significant amount of benefits for its employees, such as:
  - Dental care: INet, in behalf of its employees has concluded a contract with PHO University Dental Clinical Center St. Pantelejmon – Skopje, as highest institution in dental area in Republic of Macedonia. All services provided by this dental clinical centre can be used by INet's employees and their closest family, with reduction of 15 % on published prices and delayed payment without any additional expenses up to 12 months;
  - Medical examinations;
  - Usage of mobile phones;
  - Possibility to purchase goods from many different stores under special conditions - In the few stores for technical equipment, INet's employees can buy products under special condition;
  - Possibility to purchase products from INet's assortment with special price reduction;
  - Possibility for personal growth through trainings organized and paid by INet;
  - Auspicious working time, (from Monday to Thursday working time is from 08:30 till 17:00; In Fridays, from 08:30 till 14:30);
  - Collective worker's insurance;
  - INet's yearly budget includes designate sum that could be used for occasional gifts. That means that every celebration connected to employees, like: birthday, wedding, new born child, name day, etc. is noted and rewarded with occasional gift;
- INet respects employee's right to join the associations of their own choice and freedom to take industrial action in defense of their economic and social interests;
- INet practices voluntary process used to determine terms and conditions of work and the regulations of relations between employers, workers, and their organization;
- INet supplies work without any restrain and every employee is free to leave in accordance with established rules;

### **2.3 INet's plans for continual fulfillment of the labor standards:**

- INet will continue to respect employee's right to join the associations of their own choice and freedom to take industrial action in defense of their economic and social interests;
- INet will continue to supply work without any restrain and every employee will be free to leave in accordance with established rules;
- INet will continue to provide equal treatment for each employee both in terms of gaining access to employment and in the treatment of employees once they are at work;
- INet is planning to upgrade benefit programs for its employees.
- INet is will continue to provide regular educational training for its employees concerning safety and security at their working place.
- INet is planning to develop and implement working environment's security policy.
- INet will continue to invest into employee's personal growth through trainings organized and paid by INet;



### **3. ENVIRONMENT**

#### Principle 7.

**Business should support a precautionary approach to environmental challenges ;**

#### Principle 8.

**Undertake initiatives to promote greater environmental responsibility**

#### Principle 9.

**Encourage the development and diffusion of environmental friendly technologies**

#### **3.1 INet's Commitment and Systems toward fulfillment of these principles:**

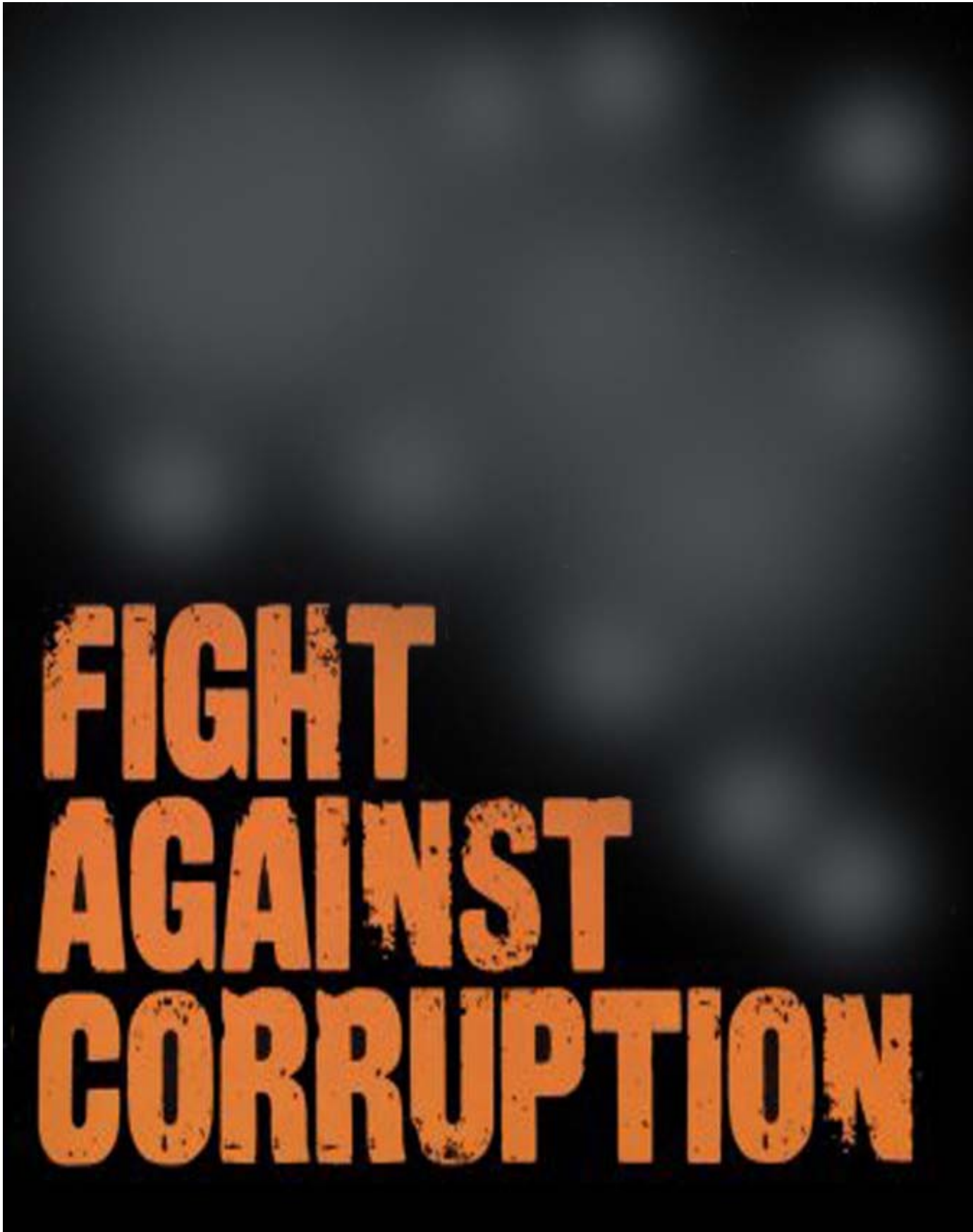
At INet, our commitment to corporate citizenship and social responsibility extends throughout the company. Whether we are conserving energy and natural resources, ensuring a safe and healthful workplace, or working with our suppliers to develop sustainable global markets, we apply our extensive innovation resources and expertise to solve some of the most pressing global issues.

#### **3.2 INet's Practical Action toward fulfillment of these principles & Measurements of Outcome:**

- INet has been established culture of environmental accountability through recycling of paper waste;
- We participated on the campaign, which was initially launched by local and international non-governmental organizations for reforestation in the Republic of Macedonia. Macedonia was hit by a series of wildfires that raged across the whole Balkans region during the summer of 2007. Having in mind the bad condition of the forest fund and in particular the catastrophic forest fires which occurred last year, a CITIZEN'S INITIATIVE FOR REFORESTATION in the Republic of Macedonia has been started. The campaign named "The TREE DAY" took place on March 12<sup>th</sup>, 2008 with intention more than 2 million plants to be planted in one day. The campaign is part of the big program for planting about 10 million trees by the end of 2008. The initiative has been widely supported, including the government, USAID, the European Commission (EC), Macedonian Forest Public Enterprise, the Faculty of Agriculture, various municipalities, state institutions, media, marketing agencies, companies and embassies. All employees of INet Inc. took part in this massive tree planting campaign, giving its contribution. On this way, INet Inc. confirmed once again the social responsibility of the company.
- Use of the materials (components) resulting from the processes: High quality PC components for INetX PC configuration;
- INet is distributing computers components declared by their manufacturers to be in conformance with the environmental performance standard for electronic products - IEEE 1680- 2006.

#### **3.4 INet's plans for continual fulfillment of environment principles:**

- Recycling the plastic waste;
- INet is fostering openness and dialog with its stakeholders to proactively define environmentally sustainable practices;
- Research and distribution of more environmentally friendly products;



## **4. FIGHT AGAINST CORRUPTION**

### Principle 10

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

#### **4.1 INet's Commitment and Systems toward fulfillment of these principles:**

INet believes that long term economic, political and social development can be achieved only by good governance and by fighting corruption. INet is committed to conducting business in a fair, honest and sound manner to help assure that the long term interests of its shareholders are being served. As part of this commitment, Code of Conduct had been developed which sets out the policies and procedures for the fair and honest business practices and behavior that INet expects from its staff.

#### **4.2 INet's Practical Action toward fulfillment of these principles & Measurements of Outcome:**

- The implementation of its Code of Conduct is achieved through application of the following principles:
  - An Employee must take no action on INet's behalf which the Employee knows, or suspects that it violates any applicable law or other act;
  - In addition to full compliance with all laws, each INet employee must comply with the moral and ethical standards of local society, including but not limited to the Macedonian ones;
  - Employees must be truthful in all communications with one another, our customers, internal and external auditors, governmental agencies, and third parties. Employees must maintain truthful business records that accurately and fairly reflect INet business and financial transactions. Employee must not falsify or forge any business records;
  - INet shall at all times provide full, fair, accurate, timely and understandable disclosure in report and documents that it files with, or submits to any regulatory authorities, and on other public communications made by INet; The Chief Executive Officer, and other members of the Company Management Team bear a special responsibility to help and ensure that a culture exists throughout INet as a whole that assures the full, fair, accurate, timely and understandable reporting of INet's financial results and condition;
  - INet will not tolerate, and no Employee may pay, offer or authorize any bribe or any other unlawful payment on behalf of INet;
- INet will not engage in or tolerate retaliation against an Employee who has reported a potential violation under this Code or cooperated with an investigation into reported misconduct. However, filling a report which the Employee knows to be false is prohibited and subject that Employee to an appropriate discipline procedure which could include termination;

#### **4.4 INet's plans for continual Fight against corruption:**

- INet will modify the code of good corporate governance if practices change;
- INet is planning to put in place an effective compliance programme containing measures aimed at education, training and appropriate disciplinary measures if the manual or code of conduct is violated.
- INet is planning to develop program for applying sanction against code violation fairly, consistently and without bias.

*"We employ the highest ethical standards, demonstrating honesty and fairness in every action that we take"*

*"We take responsibility for all decisions and actions that we perform"*



**INet – excellence in technology**