



Global Compact

COMMUNICATION ON PROGRESS 2007



INet Inc. – excellence in technology

Skopje / R. Macedonia
June 2008



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
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(for Macedonia,
Albania and
Kosovo)



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



Premium Partner
(for Macedonia, Albania
and Kosovo)



Authorized Distributor

Company Name:

Engineering, Production, Services and Trade Company INET Inc. -
Skopje

Address:

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State:

Macedonia

Contact:

Nadezda Dimitrovska

Function:

COO

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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:

01.07.2008

Membership date:

January 2005

Number of employees:






16

Industry:

Information Technology

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

INet Inc. is among the first Macedonian companies that joined Global Compact initiative in January 2005, embracing and supporting the ten universal principles of corporate social responsibility as part of its operations. As Global Compact participant INet Inc. has shown excellence in promoting and integrating the ten principles into overall company strategy:

-  respect and protection of human rights;
-  respect of labour rights and fighting against workers abuse, especially against the abuse of children;
-  environment protection and development of "friendly" technologies;
-  fighting against any kind of corruption, including bribe and extortion;
- 

International human right is not just responsibility of governments but every individual and every organ of the society has obligation to respect and promote the human rights. INet Inc. has taken particular care to ensure that its activities and practices do not contravene international human rights law. All contracts with partners and suppliers are and are going to be in compliance with human rights. Partnership activities based on equity, transparency and mutual benefit are and will be subject of future relationship. INet Inc. has implemented policies addressing corporate social responsibility, health and safety non-discrimination working environment. INet aligns its behaviour with the expectation of their stakeholders. INet Inc. has participated on the Regional Corporate Social Responsibility (CSR) Conference for businesses and stakeholders "CSR in New Europe" in Brussels in order to exchange information and good practices and promotion of multi-stakeholder dialogue among businesses, governments, academia and civil society representatives, with a view of encouraging discussion on What, Why, When and How could be done in the New Europe to accelerate CSR.

INet Inc. believes that dynamic which results from freedom of association can set in motion 'decent work – cycle' through constructive dialogue that harnesses energy to focus on solutions and that results in benefits to the enterprise, its stakeholders and society at a large. Forced labour deprives societies of the opportunity to develop human resources for the modern labour market and to develop skills and educate children for the labour markets of tomorrow. Discrimination affects the individuals concerned and negatively influences the greater contribution that they might make to society. Having considered all this INet Inc. will continue to improve its policies, educate its employees and foster open dialog with its stakeholders concerning labour rights.

INet Inc., extends its commitment to corporate citizenship and social responsibility 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.

The nine principles need to be strengthened by a strong stance against corruption. Corruption weakens economic growth and social development, the consolidation of democracy and people's morality. INet Inc. 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 was developed which sets out the policies and procedures for the fair and honest business practices and behaviour that INet Inc. expects from its staff.

INet Inc
Chief Executive Officer

Toni Petreski, MBA

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:

INet Inc. is committed to support and respect human rights by incorporating international human rights in its 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:

- Donations in the area of Information Society development and electronic data transfer:
 - INet Inc. have had the special pleasure to participate in the translation of GUI – Graphic User Interface of the newest stable version of Linux Distribution Fedora & Moonshine on Macedonian language;
 - 5000 DVD's with translated software have been distributed free of charge all over Macedonia;
 - Additional materials for project presentation of fedora 7 of Red Hat have been also donated;
- INet Inc. has 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. General operating support will not be considered.
 - 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. General operating support will not be considered.
 - 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 Inc. on 30.04.2007 signed additional contract with ESchool.mk/Education Development Centre (EDC) to provide Wireless Local Area Network Installation Solutions and WLAN Hardware Equipment for 133 primary schools in Macedonia with an aim, to bring the Information and Communication Technology (ICT) potential into the way of life, learning and working. INet Inc. also installed appropriate software application on 1.254 Personal Computers, contribution from the Government of the People's Republic of China (PRC). A questionnaire for valuation of the hardware's condition and whole WLAN equipment has been delivered to all primary schools in order to define the actual situation of the hardware and whole equipment, already installed, by the E-School project in the year 2005.

- On 03.10.2007 INet Inc received Certificate of Appreciation for outstanding support to USAID's project "MKConnects". It was three year project, providing 545 locations all around Macedonia with free Internet access. INet Inc. guided the consorcium for setting up Local Computer Wireless Network solution (WLAN) and WLAN Hardware equipment in 460 Primary and Secondary Schools throughout Macedonia.



- The project that was started in September 2006 with Cooperation Agreement between INet Inc. and IFC (International Finance Corporation) for setting a basis for improved corporate governance was successfully completed on the final constructive meeting on June 27, 2007. The Company commitment to the highest legal and ethical conduct expressed through this intervention was reaffirmed.

- On 03.10.2007 INet Inc. was awarded with certificate for Good Corporate Governance. This honored and newly-introduced certificate came as a result of the corporate activities of the company, already implemented in its corporate strategy.



- INet Inc. has developed benefits programme for its employees.
- INet Inc. 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 Inc. expects from its staff).

- INet Inc. 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 Inc. as a company already involved in CSR activities in everyday operations, had the honour to participate on the Regional Corporate Social Responsibility (CSR) Conference for businesses and stakeholders "CSR in New Europe" on 26 June 2007 in Brussels, Belgium. The main aim of the Conference was to present the comprehensive analysis of CSR development in Eastern and Central Europe, discuss opportunities and challenges in CSR for companies, governments and NGOs as well as exchange good CSR practices among CSR actors in the region, with a view of encouraging discussion on What, Why, When and How could be done in the New Europe to accelerate CSR.
- INet Inc. has taken particular care to ensure that its core activities do not contravene international human rights law. In January 2007 INet Inc. has been rewarded with IT mark Certification insuring the implementation of quality standards in three main areas: one related to overall Business Management (strategic, commercial, financial, marketing, etc); another on Information Security Management; and the third one, particularly related to the Maturity of their Services & Systems Processes.

1.3 INet's plans for continual fulfillment of the human rights principles:

- INet Inc. 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 Inc. plans to develop measures for operation's influence on human rights;
- INet Inc. 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 Inc. plans to develop fully functional information system for its partners;
- INet Inc. 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 Inc. 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.
- INet Inc. is planning to invest into anti-drug campaign.

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 Inc. 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 Inc. 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 Inc. 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 of workers;
 - 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;
 - Insurance broker services;
 - 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 Inc. 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 Inc. practices voluntary process used to determine terms and conditions of work and the regulations of relations between employers, workers, and their organization;
 - INet Inc. has provided educational training for its employees concerning safety and security at their working place.
 - INet Inc. 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 Inc. 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 Inc. will continue to supply work without any restrain and every employee will be free to leave in accordance with established rules;
- INet Inc. 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 Inc. is planning to upgrade benefit programs for its employees.
- INet Inc. is will continue to provide regular educational training for its employees concerning safety and security at their working place.
- INet Inc. is planning to develop and implement working environment's security policy.
- INet Inc. 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 Inc., 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 Inc. has been established culture of environmental accountability through recycling of paper waste;
- Use of the materials (components) resulting from the processes: High quality PC components for INetX PC configuration;
- INet Inc. 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 Inc. 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 Inc. 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 Inc. will modify the code of good corporate governance if practices change;
- INet Inc. 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 Inc. 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 Inc. – excellence in technology