



Global Compact

COMMUNICATION ON PROGRESS 2011



INet – excellence in technology

Skopje / R. Macedonia
December 2012

I. Company Profile



Certified Partner



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



Sales & Services Partner (for Macedonia, Albania and Kosovo)



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

Company Name:
INet LLC

Address:
Atinska 12, P.O.Box 468
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State:
Macedonia

Contact:
Nadezda Dimitrovska

Function:
BSc.Eng., Center of Excellence Executive

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Mob. +389 71 39.99.63

Short Description of the business:

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

Date:
December 2012

Membership date:
January 2005

Number of employees:
14

Industry:
ICT - Information and Communication Technology

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

Corporate responsibility is about respecting laws and regulations, treating our employees fairly and ensuring their safety, keeping our environment green and working with others to achieve a common goal. In short, doing the right thing at every possible way, honest measurement of performance, and the courage to be open about both successes and shortcomings. Covering all the areas of information technology and telecommunications we guarantee a range of innovative top information technology.

This is the seventh Global Compact report of our performance on issues relevant to our business and corporate responsibility we have direct control over, emphasizing the wider contribution we can make to sustainable development. Beginning in fiscal 2009 we upgraded our approach incorporated CSR-related priorities directly into our business strategies. In accordance with this, we worked to realize our identified priorities: 1) Achieve ultimate customer satisfaction; 2) Embed environmental awareness; 3) Better utilization of organization and human capital.

Our business in 2011 focused on two core areas:

- Promoting the CSR Concept
- Promoting the IT services that stimulate growth and productivity

Promoting the CSR Concept

Business Leaders Forum is the platform of socially responsible companies in Macedonia, which aim is to promote the CSR concept, motivation of the other companies, raising the awareness etc. The platform joins small, medium and large companies which manage the business on a responsible way. The BLF members have the support in the processes of planning, implementation, improvement off the CSR activities. The aim is to provoke sustainable growth of the business with profitability growth, but generating positive economic, social and ecological effects to the society development.

Promoting the IT services that stimulate growth and productivity

Studies from big research and industry associations like Gartner and CompTIA have shown that the average small-to-medium-sized businesses lose thousands of euros a year to network downtime. Inet decided to deliver proactive managed services that keep the IT network up and running at optimal efficiency, with superior network performance, security, and reliability—all at an affordable price.

In 2011 Inet implemented the Remote Monitoring & Management tool: LPMW - Level Platforms Managed Workplace. The results have shown that this tool lowers the cost for IT management and increases productivity. For this reason we are offering this tool to our corporate clients and we are proud that our business services can raise their productivity and lower their costs.

INet will continue playing a responsible role in the global community.



INet
Executive MBA, Managing Director

Toni Petreski, MBA

HUMAN RIGHTS



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;



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;



ENVIRONMENT

Principle 7.

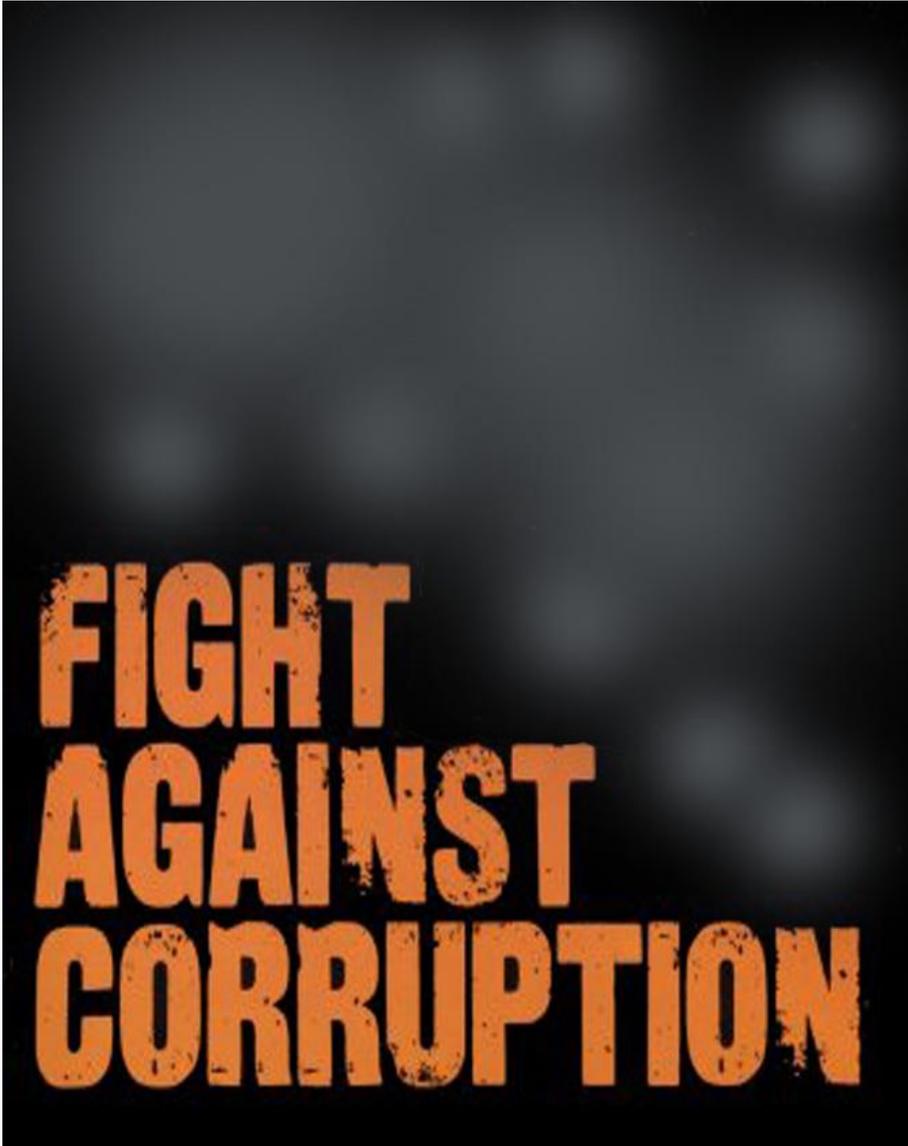
Business should support a precautionary approach to environmental challenges ;

Principle 8.

Undertake initiatives to promote greater environmental responsibility

Principle 9.

Encourage the development and diffusion of environmental friendly technologies



FIGHT AGAINST CORRUPTION

Principle 10

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

III. Ethical Management

The principles of ethical management, respect for human right and our values are clearly stated and implemented according to the Corporate Governance Code and the Code of Conduct.

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).

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.

III.1 SAP ERP Solution

Starting January 1st 2010, INet began official usage of SAP ERP Solution. As a small business entity, INet is the first company from Macedonia that has accepted the challenge of implementing the world-famous brand, in order to successfully respond on all challenges of modern business and bring higher level of business efficiency.

After a detailed analysis of the existing organizational structure and business processes, solution was designed in which 60% of existing INet processes and functionality was kept through the customization of SAP Solution. In order to increase customer satisfaction and improve internal organizational efficiency, about 25% of the existing processes were necessary to be redefined in accordance with the SAP Best Practices in wholesale and ICT Industry. About 15% of the processes and functions were specific and related to the Macedonian legislation and there was a need to further develop them as part of localization effort.

The project was successfully implemented within 6 months, in accordance with the methodology for implementation of SAPPHIR, SOPHIE (SAPPHIR Optimization of Project management Helps to Implement Easier). In order to raise the efficiency of existing processes on a higher level, SAP All-In-One Solution has been used, localized in accordance with the legislative of the Republic of Macedonia and adapted to existing business processes of INet. The solution is combined with some of SAP Best Practice Processes.

Key benefits of implementing SAP: Improvement of business processes, Faster response on customer requests, Higher level of business transparency to the company shareholders, Faster and accurate decision making.

"Every step of all End-to-End processes in INet is now structured and well defined which helps employees to work more efficiently and collaborate on every step of the process. Now after two years of implementation and its usage, we are really satisfied with the transparency & ethical management SAP ERP Solution offers" – said Nadezda Dimitrovska, COO of INet and SAP Implementation Project Leader.

"With analyzing capabilities for each business part and history that can follow each sales flow from end to beginning I am now able to make better decisions in order to win more projects and keep my strategic customers satisfied" - said Toni Petreski, Managing Director of INet.

IV Employee Relations

INet is an employer that provides 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.

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.

We fulfil our legal obligation but we strive to do much more because we truly care about our employees and their wellbeing.

IV.1 Benefits for Our Employees

- INet contributes a significant amount of benefits for its employees, such as:
 - 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;

V. Supplier/Consumer Relations

We are providing services that help our clients to in the world in constant technological changes. Inet continually build the relations with the costumers according to their needs and seeks suppliers that are in line with its CSR values.

V.1 Our services stimulate growth and productivity

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Inet decided to deliver proactive managed services that keep the IT network up and running at optimal efficiency, with superior network performance, security, and reliability - all at an affordable price.

In 2011 in Inet we have implemented the Remote Monitoring & Management tool: LPMW - Level Platforms Managed Workplace. The results have shown that this tool lowers the cost for IT management and increases productivity. For this reason we are offering this tool to our corporate clients and we are proud that our business services can raise their productivity and lower their costs.

Some of the benefits:

- 24 x 7 Monitoring and Alerting
- Asset Management
- Security Assurance
- Preventative Maintenance
- Reports
- Quarterly Business Reviews

VI. Environmental Protection

We are aware about the positive and negative environmental impact of our industry. At INet, our commitment corporate 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.

- Use of the materials (components) resulting from the processes: High quality computer components; INet has direct vendor relations with world-known brands which are already deeply involved in environmental protection and confirm their responsibility; brands are already concerned about 'environmentally friendly technologies' and recycling programs.
- INet distributes computers components declared by their manufacturers to be in conformance with the environmental performance standard for electronic products - IEEE 1680- 2006.
- We regularly collect the paper waste for recycling by specialized company (Komuna).

VI.1 Three Day



The dream of a forested Macedonia through planting the future appeared in August 2007, when the UNESCO Peace Ambassador, the world – renowned baritone, maestro Boris Trajanov, encouraged a project for mass forestation of the desolate and barren mountains. His statement is unforgettable: “We are not the only ones populating this planet, the forests live with us.”

All activities are unconditionally supported by the Government of the Republic of Macedonia with all its Ministries, the Community of Local Self-Governments (ZELS) with the municipalities, and the PC “Macedonian Forests”.

A total amount of 2560 hectares have been forested in 2008, in 2009 an additional 3.915 hectares, in 2010 – 2017 hectares, and in 2011 in the spring action, 744 hectares have been forested. Moreover, through the regular program of the Widened Reproduction of Forests in the end of 2006 to 2010 period, a total amount of 3000 hectares have been planted.

Employees of INet took action for planting the yard in front of its company contributing at the same time, for surrounding working environment, i.e. for healthier living environment.

VII. Corporate Philanthropy

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. 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 channelled 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.

VII.1 Donation for Macedonia 2025

Macedonia 2025 (<http://www.macedonia2025.com>) is a non-profit organization which aims to strengthen the competitiveness of Macedonian businesses. Through its educational program, Macedonia 2025 help businesses providing training in the country and abroad. The trainings are aiming to enhance the competitiveness of the companies on the domestic, regional and global market. The organization serves as a platform for connecting businesses and attracting foreign investment. The organization is based in Indiana, USA and in order to implement its program opened office in Skopje, Macedonia.

Recognizing that Macedonia 2025 contributes toward business sustainability, INet donated IT equipment () and enabled the smooth running of their office.

VII.2 Support for Children Chess Scholl

It is scientifically proven that while children are learning and practicing chess, they develop mental and logic skills, as well as the ability to concentrate and focus on a specific issue. Recognizing this benefit and the lack of support that the Chess Club Gambit Aseko-SEE had, INet decided to sponsor the children chess school that if functioning within the club.

VIII. Involvement in the process of awareness raising about CSR

INet strives to promote CSR among its collaborators and stakeholders. We are always prepared to share our knowledge and experience in this field in order to contribute towards the development of the CSR in the country. INet aims to prove that the CSR practices are not reserved only for big corporations and companies, but it is applicable to small and medium enterprises.

VIII.1 INet in Business Leaders Forum

Business Leaders Forum is the platform of socially responsible companies in Macedonia, which aim is to promote the CSR concept, motivation of the other companies, raising the awareness etc. The platform joins small, medium and large companies which manage the business on a responsible way.



The BLF members have the support in the processes of planning, implementation, improvement off the CSR activities. The aim is to provoke sustainable growth of the business with profitability growth, but generating positive economic, social and ecological effects to the society development. The administrator of the platform is Center for Institutional Development - CIRa. Business Leaders Forum is the first initiative for joint of the business sector for CSR improvement in Macedonia. As an initiative, it exists in over 90 countries in the world and is promoted for the first time in 1990 by Prince Charles and a

group of business leaders.

With the signature of the Memorandum of Understanding, INet justifies its high social liability and responsibility. The founders agree to implement a set of social, ethical and ecological principles into the management of the business.

“During 2011 the founders had several meetings in order to establish and to strengthen the forum. In close cooperation with the Forum Secretariat, plan of activities have been defined and goals established” - declared Nadezda Dimitrovska.

VIII.2 INet in the Macedonian Global Compact Network

In 2011 a concept for revival of the Macedonian Global Compact Network was developed and implemented. For the purpose of reviving the Network, an Initiative Committee has been established and INet is part of it. The Committee is comprised of 5 Network members (plus the representative of the Secretariat) known for their sound CSR practices, commitment to the principles of UNGC and expressed interest for proactive role in strengthening the Network. Initiative Board initiated several actions such as: revision of the Act that establishes the rules of the GC Network in Macedonia; organization of the Annual Conference; development of Activity Plan for 2012; Issuing of electronic newsletter.

Ms. Nadezda Dimitrovska form INet as a member of the Initiative Committee from continually was involved in the activities and the revival of the Macedonian Global Compact Network.

“During 2011 the Initiative Committee had several meetings in order to establish and to strengthen the Networking. In close cooperation with the Network Secretariat, we established a system of functioning that will ensure the development of the Network and with that the CSR activities in the country” – declared Nadezda Dimitrovska.

IX. CSR Awards

During the past years, INet received many recognitions and awards for overall commitment (integrated approach) to Corporate Social Responsibility for small enterprise.

In 2011, we continued activities implemented in our daily activites, but have not participated officially to some Awards call.

"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"



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