

Corporate Social Responsibility (CSR) Report of the of “Ashtarak-Kat” Company for 2006-2007

CSR for the Company is a voluntary investment in the stable development of Armenia.

Company

- is convinced that competitor advantages arise where social events are closely connected with the business strategies of the Company
- makes investments in not only the development of Armenian economy, but also tries to be useful in the decisions of society social problems,
- as a corporate citizen, tends to work with not the consequences of social problems, but in the direction of removing the reasons for their appearance.
- is aware that the success of social responsibility is not in the sizes of the completed financial investments and donations towards that field but in the results of concrete projects.

In a teleological way the Company joins the elements of social responsibility into one common strategy, the main directions of which are the following:

- As an employer the Company creates attractive job places,
- As a producer the Company produces high quality products,
- As a business partner the Company displays honest business experience, establishes trustworthy, reliable, transparent and mutually beneficial relations with its partners,
- As a creditor the Company the Company fully, in a timely manner and completely accomplishes its duties, thus endeavoring to confirm its high credit rating,
- As a corporate citizen the Company seeks to support social welfare of the country and the formation of a civil society.

Currently the Company has (including also organizations affiliated to the Company) approximately 600 employees. The main assignment of the Company is the provision of high quality and fresh products to the population, using valuable traditional, natural raw material which is provided by the Armenian farmers. In this direction the Company cooperates with more than 4000 farmsteads in mutually profitable conditions, at the same time undertaking and realizing such social programs, which are directed to the stimulation of economic and social independence of farmsteads, as well as the development of those regions of the country, where the Company is presented.

The Company is busy with philanthropic and sponsoring activities. In this aspect the basic priorities of the Company are:

- Support of those individual people (invalids, orphans, families of victim soldiers-volunteers), as well as indigent families, which are not able to satisfy their needs by themselves.
- Assistance of people, which have suffered in the result of wars, natural disasters and other force-major situations.
- Contribution of events in the sphere of science, education, art, health protection and sport.

- Input in the organization of events for maintenance and improvement of historical and architectural monuments of culture and art of the country.

In this respect the Company realizes both direct investments and investments by means of such non commercial organizations as the Organization of Forest Recovery and Development of RA, funds – All Armenian “Armenia”, “One nation, one culture”, “Yerevan”, “Support of Dilijan”, “Hamo Sahyan”, “Fritef Nansen”, Development fund of Ashatarak, philanthropic organization “Getsevana”, Union of Veterans of Work, Shidokan National Karate Federation and etc.

During 2006-2007 the successfully completed projects of the Company are:

The establishment of veterinary units in the regions of RA. The program is developed on the basis of problem investigations in the sphere of cattle breeding in Armenia and is directed towards the provision of veterinary service availability. The purpose of the project is to contribute the growth of high quality and safety of agricultural products, as well as the development of cattle breeding in Armenia. During 2006-2007 1500 interested people took part in the project and veterinary units were founded:

- In villages of Lor, Darbas, Shenatagh, Getatagh in the districts of Sisian of Syunik region (under the support of the organization “Action Against Hunger”)
- In villages of Sizavet, Bavra, Tavshut in the district of Ashotsq of Shirak region (under the support of the program DAI).

The foundation of milk accepting units and consumers’ cooperatives of milk production. The program is focused on the stipulation of the market of milk realization from farmsteads, which will bring to the expansion of milk accepting volumes in Armenia, on the formation of stable income of the local population, which is busy with cattle breeding, on the reduction of the poverty level, and, consequently, the reinforcement the population in settlements. During the interval from January 2006 to November of 2007 more than 550 interested people took part in the project, milk accepting units and milk producing cooperatives were formed.

- In villages of Ttujur in the territory of Chambarak and in the village of Navur Berd in the territory of Berd (under the contribution of the international organization CARD),
- In villages of Shaghat and Lor in the district of Sisian of Syunik region (under the support of the organization “Action Against Hunger”).

Creation of artificial insemination units for bovine animals (BA) The project is directed to the creation of private units for artificial insemination with the purpose of the reduction of diseases of BA, the enlargement of productivity and the provision of the future generation with high genetic indicators.

The project for the improvement of facilities in settlements, in which the milk accepting units of the Company are located. 485 interested individuals were involved in that direction and the following measures were undertaken:

- The financial and technical support of the project for gasification of the village Privolnoye of Tashir region,
- The financial and technical support of the project for gasification of the village Chambarak of Shorja region,
- The financial support of the project for providing pure water in the village of Tsghuk in Sisian region.

The disposure of financial support. The followings have been realized in the framework of this project:

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- Financial support to farmsteads (nearly 2000 interested people), which have suffered in the result of drought in 2006, for the purpose of fodder acquisition for cattle.
- Disposure of financial support to indigent families of farmsteads, which cooperate with the Company.

The Company simultaneously organizes the following activities:

- Presenting stimulating gifts to the first year and last year schoolchildren, located in regions, where the milk accepting units of the Company are situated,
- Periodical supply of own production to orphanages and houses for the aged people.
- Organizations of trips for the children of employees and the business partners of the Company with the purpose of getting acquainted with the process of dairy and ice cream production,
- Organizing holiday in the shore of Sevan for the schoolchildren of those regions, where the milk accepting units of the Company are situated.