

Annual Communication on Progress (COP)

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1.0 Statement of continued support

Esofflow continues to be committed to adhere to the principles promoted by the UN Global Compact. Over the past year, our company has taken further initiatives in all areas addressed by UNGC.

We continue to be at the forefront when it comes to implementing corporate social responsibility in our organization, and see how it benefits our business development.



Thomas Frisenberg
Managing Director

2.0 HUMAN RIGHTS

Our commitment

Esofflow commit to fully support and respect the human rights related regulations set by the ILO as well as the Labour Law in Vietnam.

Action	Actions implemented in the last year	Measurable results and outcomes	Targets for the coming year
Labour contracts and regulations	<p>With the support from a lawyer we have reviewed our labour contract template as well as appendices relating to confidentiality and non-competition clauses.</p> <p>We have implemented a new production/time management system, which allows employees to work with flextime.</p> <p>We continue to promote a democratic working environment where staff are free to raise their voice. Staff are protected from violence and harassment at the work place. We conduct a company meeting every 6 months to ensure that we maintain a dialogue with employees and keep employees informed about the company's development.</p>	<p>Our labour contracts guarantee that every staff member has a proper contract with social and health insurance contribution as stipulated by law. That staff get equal pay for equal work through a performance based measurement system. Furthermore, we provide staff with private health insurance, and an educational bonus that allows them to attend relevant training externally.</p> <p>Secondly, we submitted our updated internal labour regulations (staff manual) to the relevant authorities, and have had these approved, which is required by law now. Prior to the submission, we had a legal expert to provide input and comments to the updated regulations to ensure that they comply with the legal framework. The internal regulations are available to all staff on our intranet as well as in hard copy in our library. Furthermore, all new staff are introduced to the regulations.</p>	<p>The company plans to maintain the same level of compliance to the changing regulatory labour framework in Vietnam.</p>
Work environment	<p>In December 2013 we relocated our office so that we could gather the whole company on one floor with an open office space environment.</p>	<p>We have furthermore had an external consulting company to conduct a comprehensive working environment audit to ensure that we offer a healthy working environment. The audit revealed that we need to improve the air circulation in the office.</p>	<p>Following a successful relocation, we are now working with an engineering firm to implement a stronger ventilation system. We expect to complete the installation by early 2015.</p> <p>Furthermore, we have made improvements to our meal service after we had to having food</p>

			delivered, as we are not allowed to install cooking facilities in the new office. Food is brought in daily (lunch, dinner and supper) from a restaurant located in the same building.
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3.0 LABOUR

Our commitment

Esofflow upholds the freedom of association and the right to collective bargaining of its staff members. Esofflow support and fully complies with the international standards when it comes to elimination of forced labour, discrimination at the work place and child labour.

Action	Actions implemented in the last year	Measurable results and outcomes	Targets for the coming year
Collective agreement	Following the formal establishment of a trade union in 2013, we have now also registered our collective agreement with the authorities.	Currently, all employees are member of the trade union, and the union is operating successfully – allowing for a constructive dialogue between the employees and management, but also in promoting a healthy and motivating working environment with numerous social activities.	A new Trade Union committee will be elected in September 2014. In the years to come, we will target to continue to have all employees taking part in our trade union to ensure a united staff force, and that the company at all times are in compliance with international practices and local regulations.
Equal opportunity employer	We continue to promote our equal opportunity policy, and promote the employment of disabled, disadvantaged and female staff. Aside from pro-actively seeking to reach out to the aforementioned groups in our recruitment process, we continue to engage in various CSR activities that are linked to recruitment of disabled and disadvantaged people.	For the project on training and providing job opportunities for former sex workers and drug addicts, we trained a total of 120 people, offered employment to 15 (in esofflow). We completed the first batch of training for the Raising Hope project in March 2014 and ended up recruiting 4 our 9 trainees. A second batch has started and is to be completed in September 2014. We aim to recruit an additional 2 people from the second batch to	We have committed ourselves to continue to provide support the training centre for sex workers and drug addicts should that be required. The support will be in the form of train the trainer training in order to ensure sustainability of the project. Furthermore, have we informed the centre as well as trainees that they are welcome to apply for jobs in esofflow. Following the completion of the second batch of training for the Raising Hope project, we

	<p>opportunities for former sex workers and drug addicts.</p> <p>We signed an agreement with a local NGO called "Will to Live". Under the project name "Raising Hope" – we have committed ourselves to carry out training (technical, soft skills and English) for two groups (batches) of disabled staff.</p>	<p>take up customer support officer positions.</p> <p>Over the past year, another six disabled staff have been recruited.</p> <p>Our target of having disabled staff making up 12% of the staff force at all times is close to being realized. In July 2014, the percentage was 11.4%.</p>	<p>will have a dialogue with the Will To Live centre to see if we should extend the agreement. However, regardless of that decision, we remain committed to continue to engage in training and job creation for disabled people.</p> <p>We also expect to become a sponsor for BREC (Blue Ribbon Employer Council), which is a local organization supporting training and job creation for disabled people. Esotflow is already a member of BREC.</p> <p>We will furthermore strive to fulfill or even surpass the committed percentages for employment of disabled and female staff while we will continue to promote the employment of disadvantaged people.</p>
Social contribution	<p>Last year, we concluded our activities with the training centre for former drug addicts and sex workers. Since then we have started up a new project named "Raising Hope" which focuses on training and recruitment of people with disabilities in Hanoi. The project is being carried out in close collaboration with a local NGO called "Will to Live Centre". Training and recruitment for the first batch has been completed and we are currently preparing for the 2nd batch.</p> <p>We held a number of fundraising activities to get contribution from not only our staff but also our partners. Then we used that money to repaint a school for children with disabilities. We gave them clothes, books, toys and spend the day with the children.</p>	<p>Our commitment to have disabled staff making up at least 12% of our staff force and female staff 35% currently the actual numbers are 10.6% and 31.3% respectively. We have in the past year recruited 12 former drug addicts/sex-workers from the group we have trained under our CSR programme.</p> <p>More than 200 staff joined various CSR activities of which 40 joined the charity trip and about 100 disabled children received gifts.</p>	<p>We will target to have at least one large ongoing CSR project on IT vocational training, job orientation and creation for disadvantaged people ongoing at all times.</p> <p>We will continue our activities to raise awareness and get involvement of our staff and others in helping disabled/ disadvantaged people.</p>

3.0 ENVIRONMENT

Our commitment

Esosfflow remain aware of its responsibility towards protecting the environment and although we work exclusively in a digital environment, we are committed to do our part to promote environmental responsibility and sustainability.

Action	Actions implemented in the last year	Measurable results and outcomes	Targets for the coming year
Energy	<p>In the past year, we have conducted a detailed work environment audit, which includes measuring our electricity consumption. We are trying pro-actively to minimize our electricity consumption by raising awareness among our staff as well as having clear procedures for when to have light and air conditioning running as opposed to natural lights and fans.</p> <p>We have furthermore conducted an experiment to install lightbulbs with lower energy consumption. The project has shown positive results and will be implemented during October 2014.</p>	<p>Among the measureable outcomes of our environmental initiatives is the fact that we remain below budget in terms of electricity costs. We attribute this to the fact that staff are more aware of the need to protect the environment and that our procedures for reducing electricity consumption work.</p> <p>Tests from the changing all light bulbs in the company show that we will be able to save around 15% of our total electricity costs per year – once implemented.</p>	<p>Our target for future years is to continue to take a pro-active approach to reducing electricity consumption not only coming from the company but also staff themselves.</p> <p>Change all light bulbs in the office within October 2014 as part of an energy saving effort.</p> <p>Obtain proof for the viability or lack thereof for a solar power installation on the building we are located in.</p>
Equipment	<p>We purchase high quality IT hardware to reduce the effect of noise and energy consumption.</p> <p>Furthermore, we have purchased UPS boxes</p>	<p>By investing in quality equipment, the life span of purchased equipment is also longer. Having a UPS unit installed on all working stations further prolongs the life span.</p> <p>Most of our data is now stored in the cloud reducing the need for servers installed in our</p>	<p>For the coming year, we aim to further optimize and stabilize our IT/hardware set up.</p>

	for all non-portable workstations in the office. We have completed the transitioning of much of our data storage to the internet cloud (S3).	office.	
Waste	At the moment, we are sorting the normal trash – mainly plastic, paper and metal. We have furthermore advocated that staff use front and back on printing paper.	We reduce the amount of waste that is being collected. We reduce the need for printing paper.	In the coming year, we will look into how we can get rid of outdated hardware in a proper way. This is still relatively unknown in Vietnam so we will need to investigate how we do this in the best possible manner.

4.0 ANTI-CORRUPTION

Our commitment

Esofflow is embracing a zero tolerance approach to corruption and copyright infringement.

Action	Actions implemented in the last year	Measurable results and outcomes	Targets for the coming year
Corruption	<p>Relevant staff are informed about the zero tolerance approach namely our accounting and purchasing staff as well as management staff. Furthermore, are we being audited on an annual basis by KPMG Vietnam.</p> <p>In June 2014, KPMG Vietnam conducted a tax health check in Esofflow. It did reveal some shortcomings relating to proper documentation for certain aspects of our operations. Immediate actions have been taken to bring those shortcomings in order.</p> <p>We have made an agreement with KPMG on them updating us on relevant changes to the legal framework in Vietnam – and also providing consulting if required.</p>	<p>No incidents relating to corruption have been recorded in the past year.</p> <p>KPMG Vietnam has verified that the necessary actions have been taken relating to shortcomings highlighted in their report.</p>	<p>No incidents relating to corruption will be recorded in the future.</p> <p>We expect to be able to stay in full compliance with the relevant laws affecting to our business operations.</p>

Copyright infringement	Another round of software purchasing has been carried out.	All licenses used in Esotflow are official licenses that have been paid for. Meaning we are in full compliance with applicable copyright laws.	Continue to buy licenses when new worki stations are added.