

Annual Communication on Progress (COP)

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1.0 Statement of continued support

Esoftflow continues to be committed to adhere to the principles promoted by the UN Global Compact (UNGC). Over the past year, our company has taken further initiatives in the areas addressed by UNGC. We launched a major organizational change project to further strengthen the organization and our culture. The project is expected to complete by early 2018, and aims to prepare the company for the future.

We continue to be at the forefront when it comes to implementing corporate social responsibility in our organization, and are pleased with the benefits we derive from it.

This year's report cover the period from July 2016 to September 2017, in order to fit with the deadline for annual update.

Thomas Frisenberg
Managing Director

2.0 HUMAN RIGHTS

Our commitment

Esoffflow 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>We continue to ensure that our labour contracts and internal labour regulations stay up to date, and that updates are informed to staff and relevant Government authorities.</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. The latest meeting was conducted in June 2016.</p>	<p>Our labour contracts guarantee that every staff member has a proper contract with social and health insurance contribution as stipulated by law. Staff get equal pay for equal work through a performance based measurement system.</p> <p>We have started a process of upgrading our performance management system to further encourage quality and team work.</p> <p>Maintain dialogue with each individual staff via monthly catch-ups and annual reviews.</p>	<p>The company plans to maintain the same level of compliance to the changing regulatory labour framework in Vietnam.</p> <p>An ongoing organizational change project will see an upgrade of our functional matrix along with clearer job descriptions, which again is linked to KPIs and a performance management system which aims to promote quality over quantity, and team work over individual performance. Furthermore clear career paths for all staff will be implemented.</p> <p>The process is expected to be completed by end of 2017 / early 2018.</p>
Work environment	<p>We continue to work with our selected meal suppliers to improve quality and service.</p>	<p>There are fewer complaints about meal services, and most complaints come from our night shift where the building management restricts services from meal suppliers.</p> <p>In the past year, we have introduced a new health service for staff. A group of doctors from a nearby hospital has been visiting esoffflow every two weeks where staff could come during working hours and consult regarding their health.</p>	<p>We have an additional 250 square meter of office space that has not been fitted yet. This is now expected to happen in 2018.</p> <p>We are in dialogue with the building management about the serving of meals during night shift as the building regulations prevent us from serving fresh food, as food has to be delivered to the building before 10 pm while the serving is taking place at 1 am. However, so far we have not been able to come to an agreement that can solve the core of the problem. We will continue to work with</p>

			<p>the building management.</p> <p>Based on feedback from staff, we will continue to have the on-site doctor visit us on a regular basis. However, we are likely to make it a monthly routine to better fit the demand.</p>
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3.0 LABOUR

Our commitment

Esoftflow upholds the freedom of association and the right to collective bargaining of its staff members. Esoftflow 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	<p>The Company Trade Union is functioning well and all employees are members. In the past year the Trade Union has actively involved into relevant labour issues and also been a driver when it comes to the organization of social activities including summer trip, sport activities and other social occasions.</p> <p>A new chairperson for the Trade Union was elected in 2017.</p> <p>As part of our effort to promote corporate culture, we implemented an internal company blog that staff can not only access but also contribute to actively.</p>	<p>Trade Union and company management meets on a regular basis to discuss collaboration as well as the implementation and financing of activities.</p> <p>The Company and the Trade Union collaborated closely together to arrange our 10 year anniversary summer trip (nearly 600 participants) and an official celebration on the actual anniversary (1st of August).</p> <p>It has been agreed to involve Trade Union further into a number of areas that are causing concern for employees such as meal services, health services.</p> <p>Furthermore, we have a new HR Manager in place since June 2017, and she is also advocating for the Trade Union to play a</p>	<p>In the year 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.</p> <p>Solve any potential conflicts, challenges before they possibly could escalate. Particular focus is on organizational change project that also will revise our existing compensation and benefit structure – obviously a very sensitive area to deal with. However, the aim is to have a win-win outcome, and prepare the Company for future scaling and ensure its competitiveness.</p> <p>We will dedicate more resources towards our company blog to ensure that the blog develops and also stays relevant and</p>

		<p>bigger role in the Company's operations.</p> <p>The company blog has been a success but needs further development to be able to sustain interest from staff.</p>	<p>interesting to staff.</p>
<p>Equal opportunity employer</p>	<p>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.</p> <p>We have Joined job fairs for people with disabilities at the Hanoi Job Service Center and recruited qualified candidates from here.</p> <p>We have had disabled and poor students from vocational training centers visiting the company for job orientation, and then gone on to people who are qualified.</p>	<p>In addition, we encourage people with disabilities and disadvantaged people to apply for positions in Esoftflow. Recently, we have recruited quite a few people with disabilities to our growing customer service team.</p>	<p>We will furthermore strive to fulfill or even surpass the committed percentages for employment of disabled and female staff.</p>
<p>Social contribution</p>	<p>We held a number of fundraising activities such as charity Halloween party to get contribution from not only our staff but also our partners. The proceeds were used to organize a charity day.</p>	<p>Our commitment to have disabled staff making up at least 12% of our staff force and female staff 35%. Until end of September 2017, the actual numbers were 11.7% and 31.5% respectively.</p> <p>End of 2016, a charity today was organized to a remote commune, where proceeds funded a new sports ground in one school. Furthermore, staff donated books, toys, clothes to the school and its students.</p>	<p>We target to have at least one large ongoing CSR project with an IT vocational training center, as well as job orientation and job creation for disadvantaged people 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> <p>Our charity halloween event will also go ahead this year. Proceeds will again go to a charity day organized by staff.</p>

3.0 ENVIRONMENT

Our commitment

Esoftflow 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	We continue to push for minimizing 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.	We continue to see our electricity costs to be below budget.	Our target for future years is to continue to take a pro-active approach to reducing electricity consumption, in particular as the company expands.
Equipment	<p>We purchase high quality IT hardware to reduce the effect of noise and energy consumption.</p> <p>Our IT team has been working pro-actively to find solutions for improving performance of our workstations, and several solutions have been identified, and some are now under implementation.</p>	<p>By investing in quality equipment, the life span of purchased equipment is also longer.</p> <p>We also work pro-actively with suppliers to ensure that equipment is maintained at least once a year including cleaning of all workstations. Damaged equipment is repaired whenever possible.</p> <p>We can see that the life span of our workstations can be prolonged when upgrading certain parts, so instead of discarding a whole workstation, we only need to discard/change certain parts.</p> <p>Most of our data is now stored in the cloud reducing the need for servers installed in our office.</p>	For the coming year, we aim to further optimize and stabilize our IT/hardware set up.
Waste	<p>At the moment, we are sorting the normal trash – mainly plastic, paper and metal.</p> <p>For hardware that needs to be liquidated, we</p>	<p>We reduce the amount of waste that is being collected.</p> <p>We decided to create hoods for all our</p>	Continue our recycling policy, and raise awareness among staff.

	<p>have a professional buyers who recycle/reuse the components.</p> <p>We continue to advocate that staff use front and back on printing paper, and that they in general reduce the usage of paper whenever possible.</p>	<p>monitors. Normally these are made of plastic but we decided to make them ourselves using cardboard. The result is that we not worked with a more environmental friendly material but also saved a huge amount of money (we have +400 monitors).</p>	
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4.0 ANTI-CORRUPTION

Our commitment

Esoftflow 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. We are subject to an annual audit by KPMG Vietnam.</p> <p>Our finance set up has been merged with the rest of the esoft systems group, and are now subject to more structured requirements in line with the rest of the group.</p>	<p>No incidents relating to corruption have been recorded in the past year.</p>	<p>No incidents relating to corruption will be recorded.</p> <p>We expect to be able to stay in full compliance with the relevant laws affecting to our business operations.</p>
Copyright infringement	<p>Software license updates are being monitored through our new inventory management system.</p>	<p>All licenses used in Esoftflow are official licenses that have been paid for. Meaning we are in full compliance with applicable copyright laws.</p> <p>We continue to be in close dialogue with Adobe, being one of their biggest clients in Vietnam.</p> <p>Furthermore, we have been subject to a license review from AutoDesk. PwC performed</p>	<p>Continue to ensure that all software licenses used are fully licensed.</p> <p>We will try to further promote the use of legal software by working together with relevant software companies.</p>

		the review, and no issues were recorded.	
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