

Annual Communication on Progress (COP)

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Period of coverage: 1 October 2017 to 30 September 2018

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1.0 STATEMENT OF CONTINUED SUPPORT

Following our rebranding in May 2018, Esoft Vietnam continues to be committed to adhere to the principles promoted by the UN Global Compact (UNGC). We have moved ahead with our organizational change project to further strengthen the organization and culture. The implementation has taken longer than expected but is reaching the finishing stage.

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

This report covers the period from October 2017 to September 2018.



Thomas Frisenberg
Managing Director

2.0 HUMAN RIGHTS

Our commitment

Esoft Vietnam 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 have recruited a labour relations executive to deal with the increasing workload relating to contracts and increasingly complex labour relations as a result of an expanding organization.</p>	<p>We have had further review and updates to our labour contract template.</p> <p>The local employment authorities (Dolisa) conducted a labour inspection in May 2018, and pointed out only minor issues that needed to be followed up – which we have done.</p> <p>A new performance management system has been implemented for the entire organization as of 1st of August 2018.</p> <p>We maintain dialogue with individual staff via monthly catch-ups and annual reviews. Annual reviews will for this year be arranged in the month of December and January instead of throughout the year.</p> <p>An annual review/career path template is being worked on and will be used for upcoming reviews in December 2018.</p>	<p>The company plans to maintain the same level of compliance towards the regulatory labour framework in Vietnam.</p> <p>The ongoing organizational change project will be completed in early 2019, somewhat later than originally planned. However, the process, in particular around the new C&B model, has taken longer than expected.</p> <p>We are increasingly faced with existing employees that are involved in activities that are competing with the company's core services. This is obviously not acceptable, and hence we are taking measures to curtail this type of activity.</p>
Work environment	<p>Our administration has been very focused on providing better/faster services and information to the organization.</p> <p>A number of changes to the office layout has been implemented along with fitting out remaining vacant space in our office.</p>	<p>We have seen a small improvement in the overall satisfaction with meal services but will await our annual staff satisfaction survey which takes place in October before we consider further action.</p>	<p>Improve overall satisfaction with work environment and work conditions, and take quick action following our staff survey in October 2018.</p> <p>We consider renting further office space in our current office building</p>

	We have decided to focus on just one supplier of meal services, and instead work closer with the supplier to ensure better quality and service.		
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3.0 LABOUR

Our commitment

Esoft Vietnam uphold the freedom of association and the right to collective bargaining of its staff members. Esoft Vietnam 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 activities.</p> <p>We continue to have focus on our internal communication and developing our corporate culture.</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.</p> <p>The company meets with the trade union representatives every 3 months, and in addition, we conduct a company meeting every 6 months. This to ensure that we maintain a dialogue with employees and keep employees informed about the company's development. The latest meeting was conducted in July 2018.</p> <p>Our company blog is still running well, and a large amount of information and stories have been shared including from our summer trip in July 2018 where nearly 500 staff and family members joined.</p> <p>The Managing Director is sending a monthly update via our management blog. This to share more frequent high-level news and updates to staff. Furthermore, we are conducting a monthly town hall meeting for our non-production staff where we also share success stories from around the company.</p>	<p>In the year to come, we will target to continue to encourage all employees to join the company trade union.</p> <p>We will continue to promote our communication channels, and our HR team is working on launching a corporate culture handbook that will explain in detail the values, and ideals we have for the company and the staff working in Esoft Vietnam.</p>
Equal opportunity	We continue to promote our equal	The percentage of staff affected by disability	We will work further with local authorities to

employer	<p>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 create jobs for qualified candidates.</p>	<p>has increased to 13% as of 1st September 2018. Something we are pleased with and hope we can continue to push.</p>	<p>see if certain incentives can be granted to the company as well as staff with disabilities, to further promote this practice.</p> <p>We have also paid more attention to increase the female representation in our management team and it is going to reach 40% before the year end.</p>
Social contribution	<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 will be used to for charity activities in remote locations in Northern Vietnam.</p>	<p>More than USD 3,000 has been raised for these activities, which are all organized by staff.</p>	<p>We are working on establishing a new type of partnership with NGOs operating in Vietnam. We will offer our expertise in photography and retouching and provide high quality images to a number of organizations. This will be a great way to utilize our core expertise and be a motivating activity for the staff who involve, while we do something good for the organizations that are working with development in Vietnam.</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 take on a different shape this year, to bring some new “blood” into the activity. However, it will still be centered around charity activities.</p> <p>We expect to organize our next charity trip to the northern part of Vietnam in December which coincides with our low season.</p>

3.0 ENVIRONMENT

Our commitment

Esoft Vietnam 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 light and fans.	An increasing use of fans in the office, also helps to cut energy consumption and circulates airflow. As a result, we have seen our electricity costs go below budget.	Our target for the coming year is to continue to take a pro-active approach to reducing electricity consumption.
Equipment	We purchase high quality IT hardware to reduce the effect of noise and energy consumption. Our IT team has been working to find solutions for improving performance of our workstations. 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.	By investing in quality equipment, we ensure a longer life span of purchased equipment. 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. Most of our data is now stored in the cloud, reducing the need for servers installed in our office.	For the coming year, we aim to further optimize and stabilize our IT/hardware set up.
Waste	We are sorting the normal trash – mainly plastic, paper and metal. For hardware that needs to be liquidated, we have a professional buyer who buys up the equipment for recycling purposes.	We helped to reduce the amount of waste that is being collected from our company.	Continue our recycling policy and raise awareness among staff so they also showcase good practices outside of the office.

	<p>We continue to advocate that staff use front and back when printing paper, and that they in general reduce the usage of paper whenever possible.</p> <p>We have water dispensers and staff have bottles (with lids) and can go an refill these in our canteen/pantry areas. So no waste for disposing water bottles.</p>		
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4.0 ANTI-CORRUPTION

Our commitment

Esoft Vietnam embrace 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 our zero-tolerance approach, namely our accounting and purchasing staff as well as management staff.</p> <p>We are subject to an annual audit by E&Y Vietnam.</p> <p>We have updated our business ethical principles, and the updated document is available from our website – www.esoft.com.</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 inventory management system. This is being reviewed on a monthly basis by our finance team.</p> <p>We continue to be in close dialogue with Adobe and Autodesk, the main providers of software to Esoft Vietnam.</p>	<p>All software used in Esoft Vietnam are paid licenses. Meaning we are in full compliance with applicable copyright laws.</p> <p>Esoft Vietnam was interviewed for a case story by Adobe on software usage.</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, hoping that it will have a positive effect on other companies – not least those in our industry who are not adhering to the same high standards as Esoft Vietnam.</p>