

# Annual Communication on Progress (COP)

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**Period of coverage:** 1 October 2018 to 30 September 2019

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## 1.0 STATEMENT OF CONTINUED SUPPORT

Esoft Vietnam continue to be committed to adhere to the 10 principles promoted by the UN Global Compact (UNGC). We are completing the last aspect of our organizational change project, setting up detailed career development plans for all staff. As a result, we are now engaging a in variety of other projects to develop and professionalize our set up and strengthen our corporate culture.

We continue to be at the forefront when it comes to implementing good corporate citizenship, and we are still pleased with the benefits we derive from our efforts.

This report covers the period from October 2018 to September 2019.



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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 have redesigned our labour contract and also standardized our payment policy to fit our new C&amp;B model.</p> <p>We have developed and applied a new HR system to better administrate and use HR related data and provide more transparency and a better user experience for employees.</p> <p>We are in the process of developing new career development plans for all employees, which are to be implemented during the autumn 2019.</p>	<p>Employee satisfaction when measured in November 2018 (measured once a year) was at an all-time high, with an eNPS of 43 up from 13 the year before.</p> <p>Staff turnover has been reduced significantly at currently stands at 7.5% for the fiscal year.</p> <p>We have attracted and employed 192 people in 2019 to keep up with growth.</p>	<p>Maintain high satisfaction among staff on par with 2018.</p> <p>Continue to offer better development opportunities for staff and hence continue to see a low staff turnover. This also to mitigate the trend we have seen where staff got involved in competing activities outside of the company.</p>
Work environment	<p>We continue to work with our meal suppliers to ensure quality and quantity especially during supper.</p> <p>We have purchased a new fridge for female staff to store breast milk.</p>	<p>Staff satisfaction is up in the most recent survey, in November 2018.</p>	<p>Repaint/redecorate the office. Reconsider layout of selected areas to both cope with an increasing number of staff but also ensure a motivating working environment.</p> <p>Install more ceiling fans to allow for better air circulation in the office, in particular in production areas with a high number of staff.</p> <p>Survey staff's satisfaction with meals and improvements in the serving of meals.</p>

### 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 labor, discrimination at the work place and child labor.

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>Our company blog is still running well, and we have implemented an additional communication channel via our production system which the majority of staff access on a daily basis.</p> <p>In addition, we continue our monthly town hall meetings.</p> <p>We have recently actionized our corporate values so that it will be easier for all staff to understand and identify themselves with our core values and beliefs.</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 2019.</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>

<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 proactively 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>The percentage of staff affected by disability currently stands at 11% as of 1<sup>st</sup> September 2019.</p> <p>Female employment stands at 33.5% as of 1<sup>st</sup> of September 2019.</p>	
<p>Social contribution</p>	<p>We held a number of fundraising activities such as our Halloween event to get contribution from not only our staff but also our partners. The proceeds will be used to for charity activities (carried out by our staff) in a remote location in Northern Vietnam.</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>We have started a new initiative to offer our post processing image services to local NGOs, in order to help them enhance their visual communication.</p>	<p>More than USD 5,000 has been raised by staff for charity activities which helped to improve a school in a remote village in Northern Vietnam.</p> <p>So far we have supported two local NGOs with processing their images.</p> <p>In June 2019, we won a CSR award for community development from the International CSR Award organization.</p>	<p>Continue our fundraising activities driven by the employees.</p> <p>Reach out to more NGOs to establish collaboration regarding enhancing their visual profile and communication.</p> <p>Our green movement will continue to look into other measures such as collecting and recycling batteries.</p>

## 4.0 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 and encourage the use of opposed to natural light and fans to the extend possible.	Use of fans in the office, also helps to cut energy consumption and circulates airflow.  As a result, we continue to see 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.

<p>Equipment</p>	<p>We purchase high quality IT hardware to reduce the effect of noise and energy consumption.</p> <p>Our IT team has been working to find solutions for improving performance of our workstations.</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>All old IT equipment has been liquidated and sent for recycling through the Vietnam Recycling Platform, a consortium of leading producers of electronic equipment helping to reduce electronic waste, increase recycling and manage the environmental, health and safety impact of such products at the end of their life cycles</p>	<p>By investing in quality equipment, we ensure a longer life span of purchased equipment.</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 locally.</p> <p>Our IT storage has been cleaned out and all liquidated hardware has been sent for recycling.</p>	<p>For the coming year, we aim to further optimize and stabilize our IT/hardware set up.</p> <p>Continue to recycle liquidated hardware.</p>
<p>Waste</p>	<p>We are working with TetraPak to recycle milk cartons, of which we consume more than 60,000 cartons per year.</p> <p>We have also eliminated the use of plastic bottles in our office and replaced them with water served in glass bottles.</p>	<p>We now send some 60,000 milk cartons for recycling a year.</p> <p>But eliminating the use of plastic water bottles in the office, we save some 2,500 bottles a year.</p>	<p>Continue to strengthen our recycling policy and raise awareness among staff so they also showcase good practices outside of the office.</p>

## 5.0 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 policy, namely our accounting and purchasing staff as well as management staff.</p> <p>We are subject to an annual audit by E&amp;Y Vietnam.</p> <p>We have updated our business ethical principles, and the updated document is available from our website – 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>Adobe produced two great videos on Esoft Vietnam in early 2019, and these are now available on Adobe’s website.</p>	<p>Continue to ensure that all software used in the office is 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>

