

# ESG Overview

Strategy & Report

# About this Document

This document contains details of environmental, social, and governance (ESG) data relevant to Edisoft.

The information in this file illustrates how Edisoft activities align with the United Nations Sustainable Development Goals (UN SDGs), which comprise the key objectives of the United Nations 2030 Agenda for Sustainable Development.

## We currently align our activities with nine SDGs



# A Letter from our Board



**Mihhail Ralkin**  
CEO & Founder



**Anton Sverdlov**  
Executive Director & Partner

*We strongly believe that new technologies accelerate human achievements and reduce negative effects of global economy for the planet. Edisoft is committed to building a purpose-driven business that minimizes our environmental impact and creates a long-term value for our employees, customers, partners, local and international communities.*

To achieve our goal, we live by our corporate values.

We have **the will** to carry out our plans. We broaden our **horizons** concerning technology, environment and the world. We **believe** in ourselves and success of our work and in a positive mission. We value **teamwork** while respecting the individuality of each and diversity. Each of us is **responsible** for the projects and tasks that we face.

We are not a de jure public company, but we maintain the discipline of being open about our social, environmental and governing plans.

Our ESG initiatives support core pillars that perfectly align with our strategy:

- Technologies & Digitalization for Good.
- Empowering People and Communities.
- Protecting our Environment.

We operate in a large and growing market.

We are serving more than 9,000 corporate customers around the world.

We promote the idea among our clients and partners that our technologies can help them achieve their own goals as well.

We are passionate about how paperless technologies can benefit our planet and people by helping to reduce our carbon footprint without destroying forests to create office paper, how we help people develop in intellectual work instead of low-paid routine, and how we connect business from local markets to global network, synchronizing data and making management transparent. And this is the reality now.



# Technologies & Digitalization for Good

**4** QUALITY  
EDUCATION



**8** DECENT WORK AND  
ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**17** PARTNERSHIPS  
FOR THE GOALS



Edlsoft

# Technologies and Digitalization for Good



## Empowering People and Communities

## Protecting our Environment

We develop technological solutions for process automation and data processing in IT and supply chains, focusing on positive changes for people and our planet. At the same time, we align our short-term business goals with long-term social goals.

On the one hand, working within in-demand technology teams provides our employees with career development opportunities and unlocking their potential, while respecting diversity and inclusiveness. On the other hand, our users need to get additional value from using Edisoft solutions, so that their businesses - whether they are local companies or large corporations - are sustainable in a period of economic turbulence and volatility. Showing greater efficiency and savings through automation, they increase stability both within themselves and in economy as a whole.

Examples of our initiatives:

**COVID-19 response support efforts and strategy “Automation for everyone”.** During the worst peaks of the pandemic, we set a moratorium on price increases for electronic document management services for any client, despite their growing demand. For some of the integration solutions in our portfolio, we have eliminated fees for licenses and implementation services.

When many businesses were teetering on the brink of survival, we tried not to increase their financial burden.

# 55%

Small & medium size business customers joined Edisoft in 2020-2021

**36%** Retail & Distribution

**7%** Services

**2%** HoReCa

**10%** Other small companies

A large number of applications for b2b services and digital tools were from those industries that were most affected by lockdowns and a drop in offline client flows.

A free trial period of up to 14 days has been introduced for **Edisoft Courier** cloud solution for managing delivery service and field workers. The cost of licenses has been reduced to \$6.5 per business user.

We have developed and launched the **Edisoft Link Light** integration solution for small companies with a new business model: \$0 for a user license, \$0 for implementation and installation. Payment only for the actual traffic of electronic documents. This allowed us to offer users \$10,600 in savings on basic automation.

## Technologies and Digitalization for Good



## Empowering People and Communities

## Protecting our Environment

Overall, our business models and services have been adjusted to support the most vulnerable elements in customer supply chains, both in terms of customer service costs and solution functionality badly needed in the face of CODID-19 restrictions.

For example, we have scaled the **Edisoft Factoring** platform, which helps suppliers obtain liquidity in exchange for the assignment of receivables. This made it possible to eliminate large cash gaps and provide the business with working capital in the most critical period.

In 2020-2021, we helped clients raise up to \$5.3 billion. At the same time, we have consistently implemented a strategy for users to switch to paying for a fixed license to access the service in order to increase the availability of financial instruments. For two years, we kept the license at \$12/month per business user, without revising the amount upwards.

**Upskilling and reskilling programs.** The company is engaged in improving technical literacy of its employees by conducting internal free training cycles and organizing preferential participation in educational programs and courses. We cooperate with universities and offer students the opportunity to gain practical and theoretical skills within Edisoft.

We are engaged in professional development of employees in various areas of the career path:

*Trainees.* Our HR strategy includes collaboration with employees who are students in colleges and universities. They can simultaneously be trained and work inside Edisoft in starting positions, developing their skills in practice. We try to synchronize study and work schedules so that it is comfortable for a trainee. Most of them, after graduation, receive offers from Edisoft.

The most demanded positions: testers, support service managers, ux/ui designers, marketers, developers.

We have direct contracts with universities to include internships within Edisoft as an integral part of educational programs.

*Beginners.* They go through a cycle of internal training in digital technologies in theory and practice under the guidance of experienced mentors. Everyone is given a chance to prove themselves and integrate into team work as comfortably as possible.

**65** New employees accepted  
in 2020-2021

## Technologies and Digitalization for Good



## Empowering People and Communities

## Protecting our Environment

*Retraining.* Each specialist within Edisoft has the possibility of horizontal growth and change of specialization. We support such employees by providing them with conditions for mastering a new specialty within Edisoft and, if there are open vacancies, we give them priority after a successful skills verification procedure. For example, sales managers can become project managers, marketers can become product owners, and so on.

*Training.* All Edisoft employees can expect to be included in training and education programs. The company periodically offers specialists such an opportunity, incurring financial costs. As a rule, we sponsor the acquisition of new skills in terms of tools, technologies, business skills. Since 2020, the Edisoft team has switched to a mixed work format, leaving 90% of employees away from the office – at home or anywhere else.

This made it possible to adapt more flexibly to the consequences of lockdowns and the coronavirus pandemic, to preserve the health of our colleagues and give them the opportunity to comfortably choose their "outside office" workspace – be it the coast, mountains, other countries, a comfortable apartment or a rural outback.

This also contributed to the opening of the opportunity to attend educational activities (courses, trainings) without being tied to the office.

### **Technology is an opportunity, not a problem.**

We believe that digitalization and automation should not devalue human capital.

There are jobs at risk, as a rule, low-skilled professions – junior accountants, cashiers, assistant managers, dispatchers, computer operators, as well as junior technical specialists – developers, programmers. Understanding this trend, we strive to provide an opportunity for our business users and customers to retrain personnel to perform complex tasks that even AI cannot handle yet. Separately, it is worth noting the direction of digitalization, which is being formed in many companies. New CDTOs and CDOs need up-to-date training that will allow them to develop a digital transformation strategy within their business in the most effective way.

# Technologies and Digitalization for Good



## Empowering People and Communities

## Protecting our Environment

The main directions of Edisoft training webinars:

- Increasing the value of a person in managing the flow of documents and data. Intelligent decision making and correct separation of routine processes.
- System integration inside and outside the company.
- Management of the company's financial flows using SCF technologies.
- Management of logistics and procurement processes.
- New technologies for business - from RPA to blockchain.
- IT project management and digitalization in the company.

We are committed to participating in new government processes and initiatives that may impact the business of our customers, supply chains and communities in the future. When implementing legislative initiatives for the digitalization of any business area – be it government regulation in logistics, corporate finance or document management, we participate in working groups and connect at the test and experiment stage as a b2b data operator.

We consistently maintain a direct dialogue with fiscal departments and regulators, passing on feedback from business to them and adapting innovations into practical application. Edisoft enters local commercial and industrial non-profit associations of business and IT community, where there is an exchange of experience.

One of our tasks is to convey to all parties of the processes – both the state, and business, and society, that technologies should be a boon for everyone, and not a restrictive barrier and an instrument of pressure.

**50** Educational webinars and video lessons organized by Edisoft experts in 2020-2021

**1 600** Live visitors on Edisoft education activities

**21 500** Media views





# Empowering People and Communities

**5** GENDER EQUALITY



**8** DECENT WORK AND ECONOMIC GROWTH



**10** REDUCED INEQUALITIES



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Our development strategy is strictly related to the creation of a positive social effect for each Edisoft employee.

As a global company, we connect people from all over the world. The corporate culture of the company is based on the maximum respect for each person, his gender, age, race, nationality, origin, place of residence, religion, sexual orientation or different views.

We try to maintain democratic relations between teams and individual employees, emphasizing the importance of mutual assistance, openness of top management, and receiving feedback.

Our wide diversity is the basis that inspires us to be also open from the outside to customers and partners, regardless of their size of business.

Here is a short list of things we do and promote:

**Open door concept.** Each specialist has direct access to interaction with the board of directors. The company regularly receives feedback from employees on both their understanding of Edisoft's development strategy and the organization of work processes.

Among the tools used in the company:

- Regular anonymous surveys and testing of employees.
- Option "black box" for a written appeal to the CEO.
- Open conference calls from the board for all employees with a Q&A option.
- Goal management methodology for each line of business within the company.
- Shortened feedback chain – employee-manager-board of directors.
- Internal digests prepared by the employees themselves – from interviews with colleagues to the exchange of business ideas, life hacks and mini-reports on achievements.
- Annual public reports of the board of directors and heads of departments to all employees.
- The transfer of part of the director's powers inside local departments and divisions – from hiring / firing / setting KPI to staff training and managing their tasks.

Our strongest asset is the people we have been able to attract, retain, and motivate.

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### Invested in Edisoft as a 'best place to work'.

Our company is committed to building a workplace that attracts, develops, and retains the industry's best talent. Our talent acquisition team is committed to:

- Hiring with support from platforms such as LinkedIn, etc.
- Social media engagement that leans heavily on employee storytelling on Facebook, Instagram, LinkedIn, and our Edisoft Careers Page.
- Employee Referral Program that encourages and incentivizes our Edisoft community to refer talent to the organization.

We advocate for diversity, equity, and belonging in the talent acquisition process in the following ways:

- Drive discussions around the diversity of skills and mindset needed.
- Develop gender-neutral marketing content and job descriptions.
- Provide a max diverse slate of candidates for interview by gender, race, age, nationality, backgrounds.
- Conduct internal interview training for hiring diverse teams and understanding available biases.
- Provide best practices for unbiased interviewing and skill grade.

**Benefits and wellness.** Edisoft is committed to offering benefits that meet standards of market in which we operate. All global employees have access to:

- Global work/life balance and crisis counseling services through the HR Assistance.
- Edisoft mobile application: access to the loyalty program with discounts in various stores, sports clubs, cafes, etc.; bonus points for participation in internal contests and activities; merch store and achievement rating.
- Team sports – mini football, ping pong, volleyball, paintball, etc. Team field trips and outdoor team building.
- Comprehensive corporate library with free access to professional, business, non-fiction and fiction.
- Corporate quests and quizzes, uniting employees from different countries and cities in single teams.
- Bonuses in the form of paid rest days on the occasions of a birthday, family circumstances or victory in internal quests and competitions.
- Premium subscriptions to streaming services for participation in corporate contests.

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**Committed to Diversity and Equity.** Edisoft uses these ideas in its HR policy. Our business involves a global distribution of services and solutions, as well as the presence of customers, partners, employees in many different countries and regions of the world.

- Despite different attitudes of different states and communities towards certain categories of people, we strive to create an open and equal environment for everyone, without prejudice.
- Increased focus on recruiting women into senior specialists and leadership roles at Edisoft, including the ones on the Board of Directors.
- Expanded attention to representatives of local communities and national minorities when considering their resumes.
- Adaptation of employees from Asia or the Middle East to European specifics.
- Open career policy for any member of any minority with no hidden or announced restrictions. Professional assessment only based on real skills. Special control over compliance with this condition.
- Support for employees from the regions where Edisoft operates in their career development to top positions.

### Edisoft Gender Diversity

	Women	Men
<b>Overall</b>	<b>39%</b>	<b>61%</b>
<b>Senior Leaders</b>	<b>50%</b>	<b>50%</b>
<b>Board of Directors</b>	<b>31%</b>	<b>69%</b>

Edisoft ensures full gender equality in pay. The terms of contracts with employees are based solely on negotiation during the recruitment process and market standards in this job segment. The company complies with the laws of the countries of presence that regulate the issues of remuneration.

The national composition of the company is diverse. The membership includes EU citizens, representatives of Asian, Turkic and Arab peoples, and citizens of the CIS. Trusted representatives in other markets include US citizens.

Our policy always carefully values any national and religious peculiarities, providing employees with opportunities to meet their needs - from providing paid days off associated with state or religious holidays to communication, internal guides and support for language versions of sales and marketing materials.

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Edisoft does not specifically record other minorities or identities, including political beliefs, sexual identity, or other personal preferences of employees, that could theoretically act as a blocker in working relationships or become the subject of conflict. At the same time, we protect the right of employees to have such beliefs and strictly monitor the absence of discrimination on one or another basis.

We pay special attention to inclusive opportunities for potential employees with physical disabilities. The remote work format implemented by the company since 2020 assumes that such people can apply for 98% of vacancies opened in the company and do not involve direct physical labor, moving around the city or mandatory trips to offices.

**Human rights policy.** Edisoft regularly improves communication in the field of protection and observance of human rights within the company, develops training activities, monitors and conducts performance appraisal among employees to ensure compliance with human rights in all divisions. All personnel undergo training briefings that contain important and up-to-date information in the field of protection of human rights. There are no cases of forced or compulsory labor in the company and no cases of violations affecting the rights of indigenous peoples and small peoples.

In the field of protection and observance of human rights, we assume relevant obligations, assess the risks and our impact, interacting with stakeholders.

Employment contracts with employees provide decent conditions and wages, social and labor guarantees, as well as benefits. Edisoft builds relationships in the team absolutely officially and transparently, without using the practice of "gray salaries" or other hidden conditions. Edisoft complies with all the requirements of laws regarding labor control: provides annual leave, sick leave, payment of social contributions, supports maternity leave. The company has a unit for labor protection and safety.

# Protecting our Environment

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



13 CLIMATE  
ACTION



15 LIFE  
ON LAND



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“**Edisoft Green plan**”. Every year, businesses around the world use trillions of paper documents in their daily work, increasing the burden on the environment and leaving a high carbon footprint. We consistently advocate minimizing this impact, devoting our developments and technologies to the transfer of business processes to electronic form.

#### Edisoft Eco Investment

**550 000**

trees saved annually by our customers using electronic data interchange

**30+**

of our enterprise level clients and partners are in the top of ESG ratings

**99%**

communications with customers take place online, without flights and trips with a carbon footprint

**80%**

reduced average paper usage by customers with our services and solutions

We help clients to go paperless as much as possible. It saves the planet and makes the business more attractive to investors.

We consistently adhere to the idea that businesses should minimize the use of physical data storage, transferring them to the cloud and digitizing processes as much as possible. We believe that only comprehensive digitalization allows for more efficient use of resources, making business greener. No need to stop halfway, the result will be visible when scaling.

Efficient digital business communications and technologies indirectly reduce transport downtime, route inefficiency and excessive CO2 emissions, eliminate the need to physically move couriers, mail, drivers just for the sake of transferring a pack of paper.

Outdated IT solutions and a lot of routine software operations increase energy consumption, but well-established processes, smart automation and intelligent processing of big data can reduce the load on servers and power grids. In the development of our solutions, we only adhere to such an approach – get more results with fewer resources.

Edisoft widely uses the system of electronic document management and electronic signature when interacting with counterparties for issuing invoices and concluding contracts, as well as among company divisions.

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Due to this, we save significant amounts of paper and consumables, and also facilitate the work of all interested parties – the exchange of information has become simpler, more efficient.

*Zero paper friendly.* In 2020-2021, Edisoft actively developed services for remote work — Zoom video conferencing software was introduced in addition to the already used MS Teams service. All interaction within the company takes place in the CRM, which makes it possible to practically not use paper for business document management and data storage.

*We will lead by example.* When we ask our suppliers to contribute to our efforts, it will be on the foundation of Edisoft’s successful action. Our supply chain environmental requirements will be documented, retrievable, and made available through our reporting, whitepapers and our case studies.

**100%** new Edisoft customers receive invoices from us electronically

As we navigate the new normal of return to work, we expect to revisit and update this policy.

**Waste reduction efforts.** Edisoft continues to gradually introduce separate waste collection in the company's structural divisions. To the initiative all offices have joined the separate collection of paper and cardboard, as well as plastic, glass and other waste. The second important direction was the separate collection of batteries – it was also introduced by all the company's offices.

While our operations are not water-intensive, we continue to use water as efficiently as possible in our data centers and offices. For example, in the data centers we use closed water circuit to minimize water consumption for cooling our server racks.

Worldwide, Edisoft locations collaborate with their cafeteria suppliers and service providers to eliminate single-use plastic products such as bottles, cups, stirrers, straws, and cutlery. We also continue to reduce single-use plastics in our internal procurement processes.

An additional activity in this direction is the internal promotion of an environmentally friendly approach through personal examples of employees, involvement in green initiatives and their public encouragement.

**We believe that new technologies reduce the burden on nature.**



# About Us

Edisoft is a developer of B2B-ecosystem, e-document flow provider, and systems integrator. The company was founded in 1999. For over 20 years Edisoft has gained rich experience in creation of products and solutions for both international corporations and local businesses. Edisoft specializes in digitalizing processes of supply chains and finance.

**9,000+ corporate clients** and **65,000+ users** of our solutions. There are partners and company's offices in Europe, Asia, Middle East, and North America.

The headquarter is situated in Tallinn, Estonia.





Questions? Please contact  
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