

Corporate Social Responsibility



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Our CSR Principles

Happy Staff
Happy Customers
Happy Suppliers
Our Community
Our Environment

Our mission is to provide the best ISP service in the UK

Richard Tang Managing Director

That's Zen thinking

Introduction

Zen Internet is a leading independent Internet Service Provider (ISP), delivering services to business and residential users in the UK since 1995. Led by founder and Managing Director Richard Tang, Zen's mission is to provide the best ISP service in the UK. We're committed to investing in the latest technologies and providing high levels of service, support and reliability.

What is CSR?

Corporate Social Responsibility (CSR) isn't just about donating money to the right causes and getting involved in local initiatives; it's a business philosophy, whereby organisations make the conscious decision to integrate social and environmental concerns into their daily business operations and every interaction with their stakeholders. For Zen, CSR doesn't represent a shift in the way we do business. It's always been at the heart of what we do and how we operate.

Indeed, Zen believes that CSR principles should be embedded, wherever appropriate, into policies and practices throughout our business. We are determined to be a good neighbour and work together with our employees, our customers, our suppliers and the community around us to ensure that any impact we make on the world is for the better. Whether that involves ensuring employees are rewarded for the work they do, providing customers with the highest level of service, building our relationships with suppliers or supporting charitable events or coming up with new ways to be 'greener'.

Why 'Zen' Internet?

In a way, the fundamentals of CSR are embedded in Zen's corporate DNA. Our founder, Richard Tang named the company "Zen Internet" to reflect his Chinese ancestry, which goes back 30 generations. While Richard is not a Zen Buddhist, many of his beliefs fall in line with Eastern values. Recently, he felt inspired by a visit to Bhutan — a country whose values most closely match his own for Zen. Just as Bhutan puts Gross National Happiness ahead of Gross National Product, Zen's most fundamental long term objectives in order of priority are happy staff, happy customers and happy suppliers. The order of these is very important yet very simple and underpins the company's mission to provide the best ISP service in the UK.

Zen is committed to creating a working environment where our employees can flourish and fulfil their potential. We know that establishing a workplace where employees feel inspired, supported and connected doesn't just help them — it helps us attract and retain the best people.

The workplace

All our employees are based at our headquarters in Rochdale where we aim to provide a friendly and relaxed working environment. This in turn, supports our 'Happy Staff' ethos.

An open plan office promotes communication, collaboration and team spirit. We understand, however, that this can sometimes be a source of distraction to employees. Therefore, we have a number of 'quiet rooms', where they can go to focus on a particular piece of work.

We also provide our employees with fresh fruit, freshly squeezed orange juice and hot drinks throughout the day, free of charge in our coffee lounge and restaurant. These also offer our employees a range of subsidised meal options.

If employees want to get away from their desk during a break or over lunch they can take time out in our games room. Packed with a variety of games from space invaders and an Xbox to table tennis and pool, the room is widely used by employees from around the company. They even hold small competitions throughout the year.



The workplace

Getting the balance right

Enjoying ourselves in and out of work

Rewards & benefits

Keeping employees informed

Developing our employees

Our mission is to provide the best ISP service in the $\ensuremath{\mathsf{UK}}$

Richard Tang Managing Director

Getting the balance right

Zen recognises the importance of a proper work-life balance. We believe that individuals perform to the best of their abilities when their work doesn't overwhelm the other aspects of their lives. On top of their holiday allowance, employees are entitled to take additional leave to fulfil certain out of work commitments, whether this involves taking time out for charity work or a once-in-a-lifetime travel experience.

We know how important family life is to our employees. As well as offering mums-to-be an attractive maternity package we have a partnership with Fisherfield Farm who provide our on-site nursery. We can also offer childcare vouchers through salary sacrifice, a scheme which was researched and implemented by a group of local students whilst here on work experience. The scheme enables our employees to benefit from tax and national insurance savings.

Kiddi Vouchers

We also don't forget the fathers in the office. We offer fully paid paternity pay for up to two weeks, plus the option of an additional 26 weeks within the first year of their child's life, in line with recent legislation.

All employees are entitled to 22 days holiday per year, increasing by one day for each year of service up to a maximum of 28 days.

Enjoying ourselves in and out of work

Everyone loves a good party and, at Zen, we're no exception. Each year, all employees are invited to our Summer and Christmas parties. The Summer party has a family focus, allowing employees to bring their partners and children along for a fun packed day. The Christmas party is a chance for employees and their guests to party the night away.





I've been at Zen for five years now and during this time I have been to every Summer and Christmas party. I have to say that I like the variety in the parties — the Summer events always have entertainment for the family / employees that are just big kids pretending to be adults. The Christmas party has varied entertainment for everyone and always takes on feedback from employees to make the next party even better! I don't think many other companies would do this much for their employees to show them how much they are appreciated!

Kay-Leigh Butler Technical Support Team Leader



Zen employees are taken out by Richard Tang to celebrate their ten years of service

Rewards and benefits

At Zen, we believe in a delivering a rewards package which offers competitive pay and benefits. The range of benefits on offer is designed to help our employees balance their work and home lives. This in turn helps them stay committed to a long term career with us.

We work to make sure our salaries are benchmarked within our industry so that all employees across the business are paid fairly. Employee pay is reviewed every six months in line with individual performance.

In 2009 we introduced a scheme to recognise the contribution, effort and loyalty of long-term employees, and the role this has played in our success. To mark our appreciation, we reward employees when they have completed 10 years of continuous service. The employee receives a gift of their choice and is invited to a celebratory lunch with Richard Tang.

To date 20 employees have received the award, with five employees reaching the milestone during 2011. Gifts have ranged from flat-screen TVs and dishwashers to a boxed set of Domesday Books.



Richard Tang presenting Sales director Stephen Warburton with his ten year service gift.

Because broadband is at the core of what we do, it's only right that we offer our employees a free home broadband account.

Employees can also benefit from other discounted products and services, including discounted line rental and phone calls.

As a thank-you for their effort and teamwork through the year we reward our employees with a Christmas bonus. This is equal for all employees and has no reflection on position, seniority or salary.

Through our intranet we offer our employees a range of discounts at local businesses, whether that be gym membership, theatre trips, car valets or MOTs.

Keeping employees informed

Keeping employees up to date is very important to Zen. Every month we send out an internal e-newsletter, informing our employees on all our activities, from fundraising for our chosen charity to new starters, engagements and marriages. As part of this newsletter Richard Tang writes a monthly blog, sharing information on our recent performance and filling employees in on future plans. We know that the blog is well received, and it's supplemented by quarterly briefings. In these sessions employees find out more about the company's strategy for the next few months.

With teams and departments continually growing and changing within Zen, we also provide employees with a monthly e-newsletter focusing on a particular department. This light-hearted newsletter gives an overview of the team in question, while a question and answer section helps build up a more personal picture of colleagues and their interests outside of work.

Listening to our employees

We wouldn't be where we are today without our people, so we're always careful to listen and then act upon their feedback. We have a dedicated 'continual improvement' page on our intranet site where employees can put forward suggestions which may be business or workplace related. Since the ideas forum was launched over 100 improvement ideas have been raised, and over a quarter of the suggestions have been approved and actioned.

The company operates an open door policy, encouraging open communication, feedback and discussion between all employees.



Respect at Work Policy

Zen recently introduced a Respect at Work Policy. This sets out the company's values regarding how employees should be treated and how we should treat each other in the workplace. This framework deals with concerns and complaints both formally and informally. A number of volunteers have been recruited from around the company to act as Respect at Work Champions who can listen and offer impartial advice to employees who have concerns about relationships with colleagues at work.

Policies and procedures



In 2010, following a year long process, we were awarded the internationally recognised quality management standard ISO 9001:2008. This means that all our business processes have been externally audited and measured against best practice.

We continually strive to improve the way we operate, whether this is to drive down costs, manage risks more effectively or improve customer satisfaction.

Two of the fundamental principles of the ISO certification are a focus on customers — understanding their requirements and exceeding their expectations — and the continual review and improvement of everything a business does. In fact, it was for these reasons that we chose to pursue this certification.

All of our policies and procedures are available to employees on our dedicated intranet site.

Working in a way that meets ISO 9001:2008 standards has had a significant and positive impact on the way Zen works, and also on the way we manage and evaluate our development.

Developing our employees

Zen is committed to developing and retaining its employees. We have a dedicated in-house Learning and Development team enabling us to deliver and develop skills which meet the needs of the business. We recognise that investment in training and development is essential to achieving our wider business objectives.

Every employee is encouraged to perform their job to the highest possible standard. In return, we provide appropriate training and development opportunities and an environment where employees feel motivated to continue to learn.

Training not only assists them to do their job to the required standard; it also offers them the opportunity to improve their skills and knowledge so that they can develop and progress within the company.

As part of the normal business planning process, regular reviews of all employees training and development requirements are considered alongside Zen's strategic business objectives.

Through the development of our employees, in the last twelve months 40 employees have successfully secured a position in another department or moved to a more senior position. In other words, 10% of our employees have celebrated a promotion in the last year.

Induction process

At Zen, we want to start the employee development process on day one. All new employees go through a two-day induction programme, where we provide information on everything from working benefits and health and safety to overviews of detailed training on products and services.

Personal Development

Personal Development is all about improving the way we work. This doesn't just benefit our employees; it enables us to grow as a company. Constant improvement is the only way to keep up with technology and the wider business world, and we are fully committed to developing our employees' skills and knowledge, so that they can help us achieve our objectives.

Leadership Development Programme

Good leadership can make an enormous difference to the effectiveness and morale of a team. At Zen we run a leadership development programme to help managers understand their role and make sure they know what is expected of them. Most importantly, it makes sure they are supported in developing themselves as leaders. This facilitator-led programme uses a blended learning approach, with a range of practical exercises that help ensure our managers become effective leaders.

To date 90% of our managers have been through the programme. We continually review and assess the programme so that it reflects the changing challenges the business faces.

Learning Partner

Two years ago we introduced the learning partner programme to aid knowledge sharing across the business. A number of employees, all considered experts in their field, have been nominated to attend the programme and following the training are able to effectively share their experience and knowledge back into their team. Having run four programmes so far, we continue to view this as an essential tool for upskilling and cross skilling our workforce

Course directory

The Zen course directory contains a list of frequently scheduled open courses. The directory assists employees in reviewing the training courses available to them, so that they can further develop their skills and knowledge as part of their personal development plan. Courses available include soft skills training from time management and presentation skills, IT networking and IT desktop training to more product and service-related courses.

The LDP course was oriented towards the unique culture we have at Zen which made the course particularly effective and has allowed me to immediately apply the main learning points and skills. The importance of key leadership values such as empathy along with skills such as delegation, influencing and conflict handling have all contributed to my personal development and my ability to contribute to the success of the company.

Chris Platt, Systems Development Department Manager, Zen Internet



Products that meet our customers requirements - now and in the future

Next generation experience

Ensuring the reliability of our products

Being open, honest and transparent

Supporting our customers

Supporting our Partners

Reality check - are we getting it right?

Our mission is to provide the best ISP service in the UK

Richard Tang Managing Director

That's Zen thinking

Happy Customers

Zen Internet provides a range of high quality award-winning Internet services to businesses and home users, all bound by a demanding approach to quality, reliability and customer service.

Products that meet our customers requirements - now and in the future

Our connectivity services range from the latest in high speed Broadband Internet access to leased lines and IP VPN solutions. We also provide a range of voice packages, domain names and web hosting, dedicated servers and managed hosting, cloud hosting, managed network security, and state of the art website design. Zen prides itself on high levels of customer satisfaction. While other providers might focus on cut-price deals, we believe that meeting requirements — and frequently exceeding them — is the key to sustaining and developing a strong customer base.

Broadband

We have a range of broadband services, delivering high-quality ADSL broadband at speeds of up to 8Mbps or 20Mbps, depending on your area, as well as a range of fibre optic broadband products offering speeds of up to 100Mbps.

Leased Lines and Ethernet

Our Leased Line and Ethernet solutions offer competitive circuits, with speeds ranging from 1Mbps all the way up to 1Gbps, back-hauled over our high performance and resilient network infrastructure. Our latest business connectivity solution is Ethernet in the First Mile (EFM), offering a cost effective, high bandwidth form of connectivity. EFM uses multiple copper pairs to deliver guaranteed symmetrical speeds from 1Mbps to 10Mbps.

IP VPN

Our IP VPN solution provides a secure Next Generation Network with Quality of Service features guaranteeing bandwidth to enable voice, video and data to be transported on a single IP network.

Voice

We can also offer innovative telephone line and calls services to our customers. These services provide affordable telephony services with the same award-winning levels of expertise and support that our broadband customers have come to expect, all on a one month contract.

Hosting and Domains

We offer a range of Domain names, Web Hosting, Dedicated Servers, Cloud Hosting, Managed Hosting and Colocation services. Whether our customers need a reliable home for their website or a more bespoke business solution, we can provide them with technically superior hosting, backed by a personal approach to service and support.

Managed Firewalls

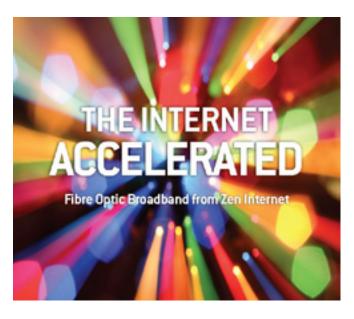
Zen's Managed Network Security solutions enable businesses to improve their network protection, and enhance the quality and reliability of their network, whilst at the same time reducing their business costs. These solutions are designed around industry-leading Unified Threat Management devices from Fortinet.

Online Data Backup

Zen's Online Data Backup solutions provide powerful, reliable and secure offsite data backup for businesses of all sizes. Whether through hardware failure, human error, fire, theft or accidental damage, data loss can have catastrophic effects. Our Online Data Backup solutions provide peace of mind that, in the event of any data loss, data will be fully backed up and recoverable within minutes.

Digital Marketing

Through Zen Web Solutions, a division of Zen Internet, we can offer a complete range of online digital services covering everything from designing and building a website to digital marketing and consultancy. Our dedicated digital division provides services to a range of clients, across both private and public sectors.



Next generation experience

As a leading broadband provider, we consider it imperative that our customers have access to fibre optic broadband as rapidly as possible. We were therefore one of the first ISPs to support BT's fibre optic broadband roll out, and we rigorously tested this new technology, including router compatibility, to ensure it was fit for purpose.

In September 2010 we successfully launched a portfolio of fibre optic broadband services, allowing customers to do more, faster. Upload speeds are up to ten times higher than our current broadband speeds and download speeds increase to speeds of up to 40Mbps allowing customers to get more out of their internet connection, for less cost, than ever before. We pro-actively contact existing customers when fibre optic broadband become available at their premises.

Virtual Freedom

We have recently launched Managed Cloud Servers, offering businesses of all sizes the opportunity to benefit from cloud-based technology. Configured around a business's specific requirements, our Managed Cloud Servers deliver optimised resources for any hosted services, with virtualised servers tuned to whatever applications our customer chooses to host.

Ensuring the reliability of our products

We take pride in our core network infrastructure that has been developing and expanding since its foundation in 1995. Ongoing investment means we're using the latest technology and can stay ahead of the demands of a growing customer base.

All our routing equipment is of the highest quality, coming from companies such as Juniper, Brocade, Ericsson and Cisco. We use multiple transit providers and provide redundant links and equipment wherever possible to avoid any downtime.

Automatic systems constantly monitor the entire network, including transit links and servers. In the event of any problem, we have a team of core engineers who are on call 24 hours a day, and can be notified automatically by email, SMS text messages and telephone. Systems are backed up with Uninterruptible Power Supplies (UPS) and generators, making our network highly resilient to even the most drastic power failure.



IPv6

The Internet is facing one of its largest ever changes with the move from IPv4 to IPv6 addresses. Zen has an in-house project team working to prepare our network, systems and products for IPv6. This team is responsible for leading the transition, including all IPv6 planning, policy formation, direction and final deployment. We are undertaking major technology upgrades, both to ensure our network can support IPv6 and to enable our customers to communicate with IPv6 devices.

Tried and tested

Working in a fast paced environment, where technology is constantly advancing, we feel it imperative to have the ability to provide our customers with the latest products and services. Yet while this is important to us, we don't like to jump in with both feet. We ensure we have carried out our own testing and made sure we are happy with a product or service before we even think about rolling it out to our customers.

Being open, honest and transparent

We don't believe in tying our customers into lengthy contracts. Therefore, most of our services are available on a one month contract. We also aim to make sure customers understand exactly what they are paying for from the outset. There are no charges or terms hidden in the small print. All of our prices and terms and conditions are readily available on our website — or on enquiry from our customer service team.

We pride ourselves on the fact that, over the years, Zen has grown on its reputation. That's one reason why we actively seek feedback from customers on their experiences with us. After all, that's what they'll be passing on to friends and colleagues.



Gary Hough Regulatory Manager

Representing our customers' views to the wider industry

During the last few years, the broadband industry has come under increased scrutiny from Government and regulatory bodies. As a result, it's increasingly important that we take an active interest in any proposals that may impact our business and so the interests of our customers — not to mention the founding principles of the Internet.

Our Regulatory Manager is called upon to comment and engage in meetings, conference calls, working groups and consultancies. This is a very important initiative for an independent ISP such as Zen, as smaller ISPs can be overlooked in relation to regulation and few are invited to contribute or provide input until it's too late. At Zen, we feel it vital that a 'one size fits all' approach is not allowed to become the de-facto attitude for those seeking to undertake change that might impact the wider Internet industry.

Recommended change — and in some instances enforced change — typically generates a lot of work and cost for an ISP like Zen, yet some of these changes are commendable and welcome. For example, Zen respects Ofcom's Broadband Speeds Voluntary Code of Practice, which provides subscribers with realistic expectations as to the speeds they would receive when signing up to a broadband service. Zen was one of the first ISPs to sign up to this, and we provided significant feedback and input to Ofcom, covering both how the Code should work and its ongoing development.

Supporting our customers

We are committed to providing our customers with a great customer service experience. When a customer contacts us, we want to resolve their queries first time round.

Our Customer Service and Service Provision teams deal with customer enquiries relating to the provisioning and fulfilment of new orders ensuring our services are delivered as smoothly and as timely as possible.

With an 80-strong, highly-skilled Technical Support team, we provide outstanding support from 8am to 8pm. As the customer experience is our number one priority we don't operate a traditional call centre environment. We have no targets set on number of calls or call times; we want our support team to deal with any questions or issues within the first call.

Our Technical Support team has the added benefit of not being only an inbound call centre and offers customers flexibility to suit their needs by being able to call them back at a convenient time if we are unable to solve their query immediately. Our team members spend as much time as appropriate dealing with each individual customer to help resolve their query to meet the customers' expectations.

We've been with Zen for years, and without fail they have brought calm, order and efficiency where other providers bring chaos and expense. They have the best customer service - not just in the Internet provision market but in just about any sector I can think of. Knowledgeable staff, people who really want to help you, a faultless service: these are things every company says they aspire to but Zen actually achieve. They genuinely make life better!

Emma Barnes MD, Snowbooks Ltd

Online customer experience

Over the past twelve months we have been working on improving our customers' online experiences. We have made a number of changes and improvements, while introducing new services to benefit the customer.

Following several focus groups we have made significant improvements to the Help and Support area of our website. The navigation has been redesigned to better suit customer needs, and the area now provides a wealth of information and options, from updating contact details or tracking the status of an order to setting up a wireless network or configuring email accounts.

In 2010 we launched a new online order process. This process enables customers to buy our award-winning services online, complete with a shopping basket feature that allows customers to order multiple services in a single transaction.

With the increasing importance of social media, we now offer customers the chance to communicate with us via Twitter, LinkedIn and Facebook. Our Twitter account has been up and running for just over a year, and during that time we have actively communicated with customers on any queries they may have regarding Zen products and services.

Our Social Media team also monitor and engage with customers on a number of forums including ThinkBroadband and ISPReview. Meanwhile, our own website provides a forum for customers to use. We already have over 32,000 users and we hope this will continue to grow.

We pride ourselves on our customer service, so we want our customers to feel in contact all the time — not just when things go wrong. Three years ago we introduced a bi-monthly customer e-newsletter, providing both residential and business customers with a mix of information, new product details and updates from our regulatory manager, as well as top tips, FAQs and news on our charity work.







Happy Customers

Supporting our Partners

At Zen we see our Partners and their customers as an important extension of our own customers.

Our Partner Programme developed organically and as a result is an integral part of the company's future. We have built long lasting partnerships and developed three distinct programmes to match the needs of our Partners:

Wholesale Partner Programme

Designed for businesses interested in selling high volumes of our standard products and services or our larger and more complex solutions.

Zen Partner Programme

Offering a platform for businesses looking to integrate high quality services into their own range of products and services.

Affiliate Programme

Ideal for businesses that would like to recommend our services, and prefer their customer to deal directly with us.

We also offer our Partners:

- Dedicated Account Management
- An online portal with £1 million onward investment
- Dedicated Partner team support
- Training and product workshops
- · A range of standard and bespoke marketing support

Annual Partner Event

Each year we host a Partner event giving us a great opportunity to update our Partners and showcase our latest technology whilst demonstrating how they can grow their customer base in partnership with Zen.

We also reward those Partners that have stood out from the crowd with our own Zen awards ceremony.





Connect

Partners receive our bi-weekly e-newsletter, providing them with information on what we are doing in the channel and keeping them up to date with our products and services.

Masterclass

In 2011 we developed and launched a course of Masterclass programmes and "How to" guides which help our Partners develop their knowledge of our products and services enabling them to convert it into revenue.

Partner Online Systems and Tools Programme

Our most ambitious project is a £1million investment in online systems and tools which we provide to our Partners. These include:

- · Improved Usability
- Broadband Diagnostic Tools
- Fault Tracking
- Online Ordering

Building products with our Partners in mind

The more we have worked with our Partners, the more we have realised the importance of developing specific products to suit their requirements. Zen Vault Enterprise enables our resellers to offer online Cloud based data backup services to their customers.

maximised the wide range of support on offer and progressed through the different levels of partnership. We worked very closely with their teams of experts who have assisted us in improving our IT offering to our customer base which in turn has generated additional profit and assisted in the expansion of our organisation.

Ash Patel Sales Director, Eva Technology Solutions Ltd

Reality check - are we getting it right?



The PC Pro Service and Reliability awards are the most comprehensive guide to customer support and product reliability in the UK and Europe, compiled from the UK's largest independent survey into IT customer satisfaction. The awards started in 2004 and we are the only ISP to have won the Best ISP accolade since its inception. We recently added our eighth consecutive award to our cabinet, and it only makes us prouder that it comes as a result of customer votes.

Yet the PC Pro Awards are only a small part of our award winning success. We received our very first award back in 1996 when we entered the Rochdale Chamber Business Award for 'Best Growth' Business and by 1998 we had won our first national award, the Comdex Starlight Award for 'Best Internet Provider.' To us this was a sign that we had established ourselves as a national business, not just a small company from the North West. Since then we have gone on to win over 100 awards.

From 2004 to 2006 we were listed in The Sunday Times Tech Track100: a listing that ranks Britain's top 100 private tech companies with the fastest-growing sales over three years. Thanks to our growth we now have more than 400 employees. As a result, we're no longer eligible for the listing.

Since winning the Best Buy Broadband in 2008 at the Which? Awards we have made an impression on the magazine's satisfaction tables every year, recently gaining our twelfth Which? Endorsement. Zen's Recommended Broadband Provider status reflects consistent five star ratings for reliability, connection speed, customer service and technical support.

Over the past four years we have been highly commended in the ThinkBroadband awards for our customer service, demonstrating that we are consistent in the quality of service we provide to our broadband users. This clearly demonstrates the dedication of our employees in ensuring that both businesses and consumers are well cared for.

ISPreview rated us as Best Quality ISP in its Editor's Pick of UK Best Broadband ISPs 2012. Looking back at the performance of ISPs throughout 2011, reviewing companies on reliability, price and performance irrespective of size, ISPreview put Zen on top.

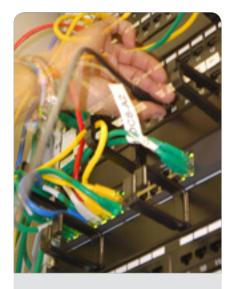
In 2010 Richard Tang was named a finalist in the Institute of Directors' (IOD) North West Director of the Year Awards, not to mention the Ernst and Young Customer Service Entrepreneur of the Year. The IOD are keen to support and promote excellence in leadership and these awards celebrate the people that are bringing prosperity to the region. The Ernst and Young awards celebrate people who build and lead successful, growing and dynamic businesses.

However much Zen grows, we never take our award-winning success for granted. The awards that we have won year on year are independent awards voted by our customers, and this shows that our customers feel that they get what they pay for. We feel lucky to have a business that has grown, not through marketing wizardry but primarily through reputation and we are very grateful to all of our customers for supporting us over the years. We appreciate that they take the time to vote for us in a market that is notorious for bad service.

We love hearing from our customers and listening to what they have to say. We actively invite feedback on our service. Whether it's good or bad it means that we can find out what is important to them and how we can make further improvements.

Above all else, Zen's mission is to provide the best ISP service in the UK. We take pride in the reliability of our provision and the maintenance of high quality customer support in every department. Yet we understand that occasionally we may get it wrong. To ensure that any complaints can be fully investigated and resolved satisfactorily, we have a clearly defined procedure that is readily available to all customers. If anyone isn't happy with the terms of any proposed resolution, and as part of our Ofcom requirements, we are signed up to the CISAS Alternative Dispute Resolution Scheme. This allows CISAS to act as an independent arbitrator if our own process is unable to achieve the desired outcome.





Long term relationships

Making sure our suppliers are efficient

Our relationship with BT

Our relationship with Baxter Storey

Happy Suppliers

Strategic partnerships play a vital role in Zen's continuing success. They help us expand our product portfolio and so grow the company itself.

We build these relationships on values of openness, honesty and integrity, and we choose suppliers that we believe share our mission and our values; companies that emphasise the quality of service and support together as well as value for money. After all, the quality of our service depends on the quality of our suppliers.

Long term relationships

In order to keep our customers and employees happy we need to make sure that we also have happy suppliers. Good relationships are paramount. We work with a range of suppliers, and in many cases we have been working with them for five or more years.

We communicate regularly and monitor service levels against agreements so we can build a mutual understanding of our own needs and expectations and those of our suppliers. Through monthly or quarterly meetings we can review our relationship and deal with any issues either parties may have. The rapport we have with our suppliers is reflected in the fact that teams of employees take part in intercompany football and golf tournaments.

We will continue to monitor these relationships. As part of our commitment to ISO 14001:2004 we are working to ensure that everyone treats our suppliers in the same way.

Making sure our suppliers are efficient

We like to know that the companies we work with are also doing their bit for the environment. We ask all new and existing suppliers and potential suppliers to provide copies of their ISO certifications where applicable. What's more, with our suppliers continually releasing new products and improving existing ones, we make sure to find out how efficient these new products are and what benefits they bring in comparison to those we are currently supplied with.

Our mission is to provide the best ISP service in the <u>UK</u>

Richard Tang Managing Director

Our relationship with BT

One of our most important supplier relationships is our relationship with BT, and it's one we're particularly keen to maintain and strengthen. We meet with BT on a monthly basis at a senior level, and during these sessions look at a number of critical success factors, while also reviewing the working relationship we have with BT Wholesale and BT Openreach.

As an outcome of these meetings we have been invited to trial their eChat service, enabling us to gain access to a team of highly skilled technicians through Internet-based chat. This has allowed us to get complex faults fixed much more quickly than might have been possible through usual channels. One sign of the success of this trial is that BT has used it as a test-bed to develop the eChat service as a standard communication channel across BT Wholesale.

We also have a number of employees who represent Zen at BT's ISP forum. This quarterly event keeps us up to date with the latest developments and issues surrounding BT's broadband products, while also allowing us an opportunity to raise any broadband-related issues.

Our relationship with Baxter Storey

Other suppliers provide a service within our office, and here we're also keen to make sure that their values are aligned with our own. When we heard that Baxter Storey prides itself on helping employees eat more healthily, offering them more choice and flexibility in their meals, we knew we'd found the best food service company for us.

- All of the food Baxter Storey provides is freshly prepared on site by a team of chefs
- All sandwiches are made fresh, onsite every day
- 100% of their fresh meat is sourced from the UK and is fully traceable
- They use local suppliers where possible
- Only 5% of what the company buys is frozen
- Fresh, home produced soup is always on the menu
- Boxed salads, fresh fruit pots and desserts are provided, fresh and daily.

Baxter Storey has been awarded ISO 14001:2004 Environmental Management Systems for the provision of Contract Caterers and was recognised as a carbon neutral company in September 2007.







The Social and Charities committee

Chosen charity

Raising money

Other worthy causes

We do more than just give money

Our Community 7 on is committed to the local

Zen is committed to the local community. We were founded in Rochdale, we have stayed firmly rooted in Rochdale, and Rochdale is where our heart lies.

We actively participate in projects aimed at supporting and developing the local community, whether these involve sponsoring individuals and events or working with local charities, schools and educational authorities. We also encourage Zen employees to be active in the community. Every employee is allowed paid time off during working hours to devote to charitable and community projects. Our activities include business mentoring and work experience, as well as holding business and enterprise days. We also work on regeneration projects which seek to improve the local area.

The Social and Charities committee

Zen's Social and Charities committee plays a vital role, not only in uniting Zen employees through regular social events — including our Summer and Christmas parties — but also in supporting Zen's chosen charities through fund raising activities such as charity auctions, bring and buy sales and the annual Manchester run. The team strives to encourage collaboration throughout Zen, hosting social activities that everyone can enjoy while, at the same time, balancing our commitments to our chosen charity, so that we can ensure that our fund-raising activities make a difference.

Chosen charity

Each year we select a chosen charity to support. Nominations are taken from employees and a shortlist of three charities goes to a final vote.



Boomerang

Our chosen charity for this year is Boomerang, a multi-sensory play centre in Bury. The centre provides a place for lesser able-bodied children to have fun and play together in an environment where they feel comfortable and safe.

Our mission is to provide the best ISP service in the <u>UK</u>

Richard Tang Managing Director

Our Community



The Social & Charities committee presenting Dr Kershaw's Hospice with their fundraising cheque

Dr Kershaw's Hospice

Dr Kershaw's was our chosen charity last year and we raised nearly £7,000 through our fundraising activities. The Hospice, located in Oldham, was opened in 1989 following the conversion and development of a 1930's Cottage Hospital. The hospital was originally built with a legacy from Dr John Kershaw, a local General Practitioner and Medical Officer of Health. The Hospice provides specialist palliative care for adults with non-curable life-threatening illnesses in a peaceful and homely environment. It provides accommodation for 12 inpatients and 15 day care places, and also support for relatives and carers.

We have had a fantastic partnership over the past 12 months with Zen, and a massive thanks goes to them for everything they have achieved for Dr. Kershaw's. They really are an inspiration.

Christine Harrop, Dr Kershaw's Hospice

Rochdale Children's Moorland Home

Rochdale Children's Moorland Home is situated in open moorland on the outskirts of Rochdale, where it provides holidays for underprivileged children. The philosophy of the charity is to provide a healthy environment, good food and a comfortable house where youngsters can enjoy themselves. During the year we supported Rochdale Children's Moorland Home we raised over £6,000 for the charity.

The New Children's Hospital Appeal

The new Royal Manchester Children's Hospital was part of The New Hospitals Development. The Appeal aimed for a £20 million target with which it could greatly improve the lives of children and families in Manchester and the North West. The Hospital opened in June 2011 and we raised a fantastic amount for the appeal. By doing so, Zen helped make a difference to the lives of thousands of children in the North West.

Raising money

Employees raised money for Red Nose Day by taking part in The Circle, Zen's alternative to ITV's The Cube. A series of light hearted challenges including Exchange and the Multisphere, tested speed, skill, co-ordination and determination to the limit. Laughing was encouraged, cheating was not!

Employees took part in our first ever online auction, bidding for a wide variety of prizes including a private flight with Richard Tang. Other prizes were a meal cooked by the Head of Product Management and Marketing, a camping trip to Snowdonia and even a home-baked celebration cake.

Each year a team of runners from Zen take part in the Bupa Great Manchester Run, the 10k race which starts in Manchester city centre. We pay our runners' entry fee with each runner having to raise a minimum of £45 for our chosen charity. This is one of our great annual fund-raisers, and in most years over £3,000 will be raised for that year's charity.

Around February we hold a bring and buy sale in the office. In the weeks running up to the sale employees are encouraged to have a clear out at home and bring in their unwanted items. After all, one's mans trash is another man's treasure! Anything remaining after the sale is donated to a local charity shop.

Payroll giving is a flexible scheme that allows our employees to give to a charity of their choice regularly and tax-free. Employees can donate to charity via their salary. Over the past 12 months nearly £3,000 has been donated this way.

For a number of years we have made a donation to our chosen charity instead of sending Christmas cards to customers, Partners and suppliers. Gifts have ranged from a karaoke machine for Rochdale Children's Moorland Home to three flat screen TVs for Dr Kershaw's 24 hour care ward.

Our Community

Other worthy causes

We don't just support our chosen charity. We are often approached by other worthy causes looking for our support. Wherever possible, we're glad to help.

Zen Internet is Hallé Orchestra's technology sponsor

Richard Tang has a passion for classical music, and Zen has recently formed a partnership with the Hallé Orchestra, sponsoring their website Hallé Play; an area where fans are able to view performances and interviews with members of the orchestra. The site gives the Hallé a valuable platform through which they can share their talent with the masses, helping them develop their growing audience and reputation.

The Hallé Orchestra is recognised as a central part of Manchester's history and culture. Founded by Charles Hallé in 1858, it's still — an incredible one hundred and fifty three years later — nurturing young talent and producing exceptional music. Both Zen and the Hallé are committed to investing in the future success of the North West, offering opportunities to individuals and supporting charities.



Richard Tang with Hallé Orchestra's chief Executive John Summers

We are delighted to welcome Zen Internet as the Hallé's new technology sponsor. This relationship will play a vital part in developing our digital offering, and will allow us to move forward in this area with confidence.

Joseph Harrison Digital Manager, Hallé



Groundwork

In October 2008, Richard Tang, became Chairman of Groundwork Oldham and Rochdale. The organisation aims to improve the quality of the local environment, the lives of local people and the success of local businesses in areas in need of investment and support.

We have assisted Groundwork with a number of projects: 'V challenge': a project to help new graduates look for employment. Zen provided workshops to 'V challenge' graduates to help them build their CV and explain what employers look for. The graduates learnt how to structure their CV's in a way that best reflects their skills and attributes, giving them a better chance of getting to the interview stage. All graduates greatly benefited from the workshops.

More recently, we provided support for a project being delivered by Groundwork in Middleton. Get Online Middleton aims to develop a local network of organisations, people and resources, and coordinate them to help digitally excluded people in Middleton get online. Zen has helped this project by providing a broadband and telephone line free of charge.

Our Community

We do more than just give money

Zen doesn't just look at the ways we can provide financial support or products and services. We like to help out in other ways too.

Giving Blood

Zen offers employees the chance to save a life from the comfort of the office. The National Blood service van attends our Sandbrook Park office every four months, and Zen employees have donated more than 95 pints in the last twelve months alone.

Business and Enterprise projects in the workplace

Zen has supported local High Schools by allowing groups of students to work at Zen. Students are asked to plan, research and execute a project. Previous projects have included a 'Donate, Don't Dump' day to collect quality items to improve the stock in a local Age Concern shop. This involved the erection of a temporary promotional stand and issuing collection bags to Zen employees. All donations were later given to the charity and sold in local shops to raise money.

Supporting National Curriculum

High schools within the Rochdale area contacted Zen to ask if we could assist both students and teachers to help bring the National Curriculum to life. We were able to offer a blend of business, technical and interpersonal skills needed in modern IT professions.

We immediately saw the benefits and were happy to assist, sharing our knowledge and committing ourselves to the development of relevant curriculum enrichment activities.

We gave the teachers vital information about how our business works and the different technologies we use, and provided students with insight into the world of work. Some students even benefited from placements within our Technical Support department to enable them to gain handson experience.

Work placements

We are continually contacted by students looking for work experience opportunities within Zen. Where we can, we like to accommodate them. Over the past twelve months we have offered ten work placements for periods of between one day and six weeks. We've spent a total of 116 days helping students get the experience they need.

Unleashing the potential

Back in 2009 we committed to running a free Technical Training Programme, aimed at re-training applicants for entry-level roles in our Technical Support Department. The training programme asked for no pre-requisites other than commitment, enthusiasm and the desire to secure a support role. Applicants received five days free training from our experienced in-house training team, covering Internet technologies, customer service and interview skills. Applicants from different backgrounds, including unemployment, college leavers and people facing redundancy, were selected to attend. On completion they were presented with a certificate and given a guaranteed interview for a position as a Technical Support Advisor. Three out of the ten attendees were offered jobs. The other seven left Zen with new skills and renewed confidence.

This scheme was recognised at the Greater Manchester Employer Coalition Awards 2010 winning the Big Break Award for recognising that employees can be nurtured irrespective of age or qualifications.



Technical Support Team Senior, Stuart Drake, asisting a customer with their enquiry

The Zen Training Programmes are a fantastic opportunity to learn new technologies and Internet products quickly and efficiently. After the first day, my technical knowledge had increased threefold. Zen's training team are very knowledgeable and really know their stuff.

Stuart Drake Technical Support Team Senior



Going Greener project team

Ways in which we help our environment

Our Environment

At Zen, we understand that our activities affect both the environment and the communities which we operate in.

We believe that we have a responsibility to identify, manage and minimise any negative impact as effectively as possible. With this in mind Zen established a Going Greener Steering Group, which works to develop Zen's green policies and working practices.

Going Greener project team

Within a few months of moving to our new premises at Sandbrook Park, the Senior Management Team issued an appeal to all employees for ideas on reducing our impact on the environment.

The initiative was labelled Going Greener and out of the respondents two teams were created – the Going Greener Steering Group (GGSG) and the Going Greener Volunteers. The team focuses on reducing our consumption of materials, recycling rather than disposing of materials and proactively identifying ways to improve the energy efficiency of our buildings.

The team also keep our employees up to date on all things 'Green' with the production of a quarterly e-newsletter. The newsletter sets out our targets and objectives along with recommendations from our audit, giving advice on how employees can become Greener. It's well received by employees.





In 2009, the GGSG and the Going Greener volunteers worked on introducing a structured and documented environmental management system that would allow us to meet the requirements of ISO 14001:2004, an internationally recognised standard for environmental performance. It is awarded to companies that comply with all aspects of current

legislation concerning the environment, and who can demonstrate initiatives to reduce their environmental impact. With the work we carried out we attained the ISO14001:2004 certification in September 2009.

In order to comply with ISO14001 our Going Greener team have set a number of targets and objectives around reducing our impact on the environment.

Our mission is to provide the best ISP service in the UK

Richard Tang Managing Director

Ways in which we help our environment

Energy use

As a responsible business we aim to use energy as efficiently as possible. We have set ourselves a target to reduce our $\rm CO_2$ emissions from gas and electricity by 5% in terms of total annual emissions per £1,000 of revenue. We have been measuring this for the past couple of years and in 2010 we managed a reduction of 8.4%.

Switch me on

We have introduced a system that helps us save energy by encouraging employees to turn their PCs off at night, but without forcing them to wait while they start up in the morning. Once employees have registered their computer they request an automatic 'wake up call' to be sent every morning. This ensures their PC is powered-up and ready by the time they arrive at their desk.

Waste and recycling

To help reduce the impact of waste going to landfill, we actively support waste reduction and recycling within our business.

Within our office environment all desk bins have been replaced by colour-coded recycling stations for the recycling of plastic cups and bottles, paper, cardboard, cans and general waste. Employees are encouraged to recycle as much as possible and over the past 12 months we have managed to recycle 87.1% of our total waste. We are currently looking at ways in which we can further increase this percentage.

Using less

We have also set ourselves a target to reduce our paper usage by 5% per employee. We are doing well with this target and in 2010 we achieved a reduction of 8.5%.



Ride 2 Work

We want to help reduce the environmental impact of commuting and business travel in

the company. One approach we've taken is to sign up to the Government's Cycle to Work Scheme, giving employees the chance to purchase a new bike with tax incentives that offer them fantastic savings on the cost.

78 employees have joined the Ride2work scheme since we started it in 2008 and in the past 12 months 16 employees have purchased a bike in this way. This goes some way to reducing the harmful effects of employee commuting.

Water

The quality of drinking water in England is amongst the best in the world, however, the additives put into the water, whilst making it safe, can affect its taste. With 13 water-coolers spread throughout our Zen HQ we looked into the option of changing over to mains fed filtered water machines which use sophisticated filtration therefore improving the taste.

We have recently completed a trial using a mains fed, filtered water machine in the building to ascertain employee feedback on the change. Thanks to positive feedback from across the business 11 new mains fed water machines will now be installed. This will reduce costs considerably in comparison to bottled water and, as we no longer require weekly water deliveries, help us reduce our carbon footprint.

Products and services

As well as looking at our own impact on the environment we also like to encourage our suppliers to do their bit. We therefore review our suppliers periodically to ascertain whether they are certified to ISO14001:2004.

We'd like to thank our employees, customers and suppliers for helping us to be a responsible business.

For more information about Zen Internet please visit www.zen.co.uk

If you have any comments about our CSR report you can contact

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Zen Internet

Zen Internet, an independent Internet Service Provider (ISP), has been delivering services to business and residential users in the UK since 1995.

Led by founder and Managing Director Richard Tang, Zen's mission is to provide the best ISP service in the UK. Zen is committed to investing in the latest technologies and providing high levels of service, support and reliability.

Our Portfolio includes:

- Broadband
- Leased Lines & Ethernet
- IP VPN
- Voice
- Managed Firewalls
- Domain Names
- Web Hosting
- Managed Hosting
- Dedicated Servers
- Colocation
- Data Backup







