CIKLOPEA®
TRANSLATION SERVICES

Corporate Sustainability Report for 2010

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business)[1] is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. **Wikipedija**

Communicating your ideas

Being the change we expect to see

To all of our respected readers,

Ciklopea Ltd is proud to present to you our first Corporate Sustainability Report. This report has been prepared under the G3.1 guidelines of the Global Reporting Initiative and it is a level C+ report. Preparation of the report entailed consulting the ISO 26000 standards and we adhered to the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption.

It sometimes seems that sustainable development can be a lofty goal when met with the uncompromising economic realities, but for Ciklopea it has been its core advantage and driver since our inception in 2003. The global recession and change in translation technologies have lessened the margins of profitability in the global market place. The same economic conditions are evident on the Central East European market, as well as in Croatia. Unfortunately, these conditions will not change as quickly as we would all prefer and analyst warn that the marketplace has forever been changed by the global recession. In a situation where budgets are tight Ciklopea has tried and succeeded in offering competitive prices to our clients while keeping our suppliers and employees at incomes that provide stability. A steady growth pattern has been present every year since our inception and we have done it in sustainable and ethical manner. The real measure of the company's success is not to be found only in the net profits, levels of sales, return on investment and other financial indicators. In a country (world) riffled with negative economic trends, corruption and unemployment it matters how a company got to profit. By abiding to responsible corporate practices we strive to play an active part of the solution to these complex problems. Ciklopea has generated prosperity trough knowledge-sharing, investment in technology, use of local resources and other such responsible practices. Positive improvements in the lives of our customers, our suppliers, our employees as well as in our local community are our greatest motivation and reward. Our first report on sustainable development is in that sense an ode to our stakeholders and their continued efforts to make Ciklopea better in all aspects of operation.

As the global economy is still fairly unstable the long term challenge for our company will be to continue our healthy growth in an industry that has low barriers to entry, is highly competitive and has increasingly shrinking profit margins. Corporate culture permeated by fairness and sustainability with an emphasis on high quality services is and will continue to be Ciklopea's answer to these market conditions. Led by the premise we all have to be the change we expect to see in the world, we will continue to strive to make responsible and innovative choices that consider our impact on our operations, our people and our community.

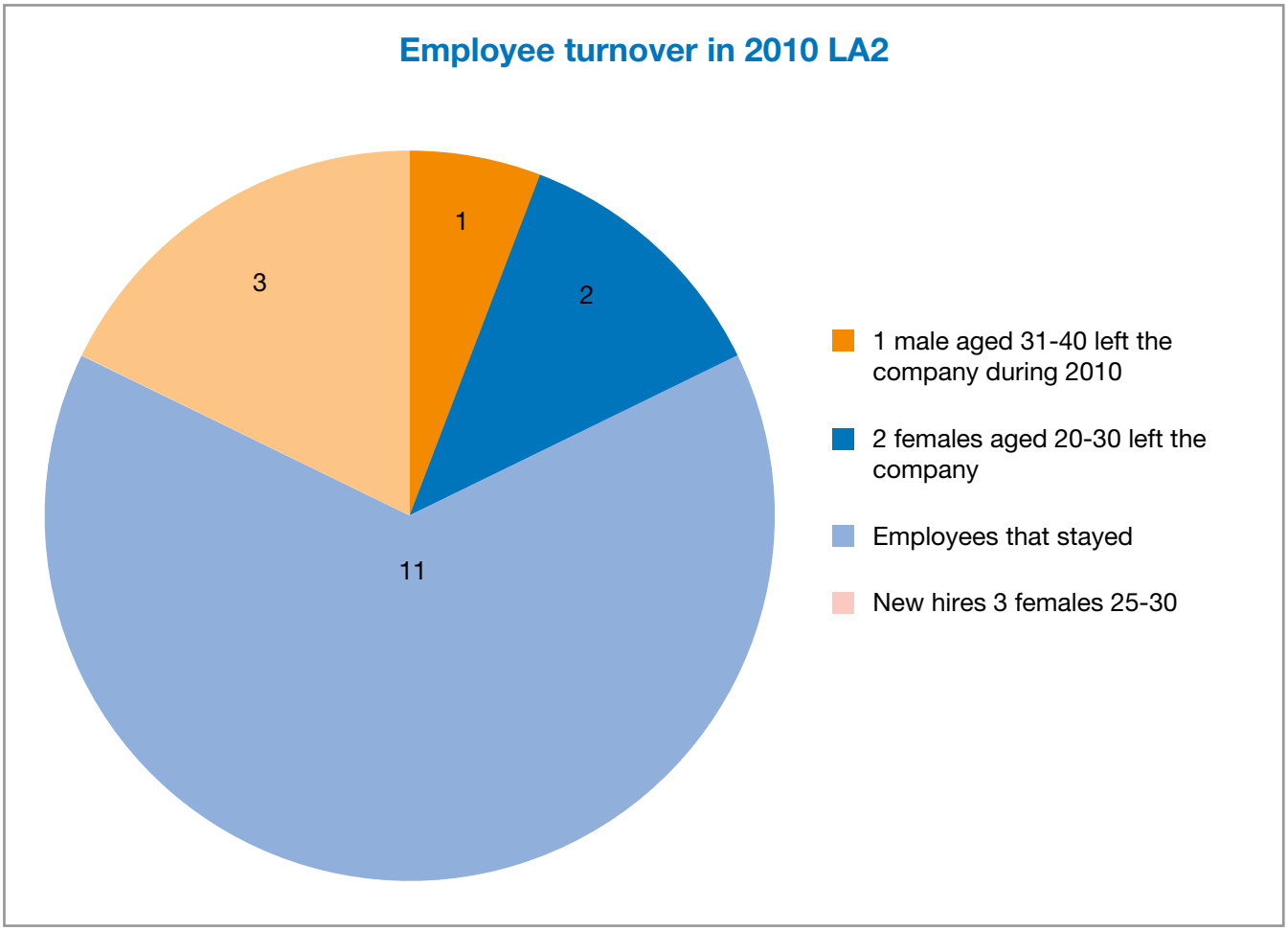
I hope that you will join us!

Sincerely,
Sandra Boljkovac Stojak

Founder and CEO of Ciklopea Ltd

Employee turnover

Employee turnover is always an indicator that the management board pay close attention too. In the year 2010 employee turnover has risen due to severe market conditions. In the reporting period of 2011 Ciklopea is planning to launch a survey of employee satisfaction in order to detect where the company could do better in terms of retaing our employees and attracting new ones.



No organization wants to see unsatisifed employees and fluctuation rates rise. Alas, that is a relity. Ciklopea always strives to maintain a great relationship with former employees. In the year 2010 two of the employees that left the company continued to work with Ciklopea as outside partners. In the year 2011 we hope to undertake a survey of our employees in order to understand what are those factors that contribute to their satisfaction and where the critical points are.

Diversity and equal opportunity LA 13

A look at our employee structure at the end of 2010

	Male	Female
Total	1	13
15-30	0	6
30-50	1	7
51+	0	0
Minorities	0	0
Disabled persons	0	0

Upper mgm	Male	Female
Total	0	6
15-30	0	4
30-50	0	2
51+	0	0
Minorities	0	0
Disabled persons	0	0

A look at our management board at the end of 2010

Mgm Board	Male	Female
Total	1	1
15-30	0	0
30-50	1	1
51+	0	0
Minorities	0	0
Disabled persons	0	0

LA14

Equal remuneration for men and women LA 14

✓ Men and women are paid the exactly same salary starting salary at every position. Their further progress is determined by a number of qualitative and quantitative indicators. The opportunities they have along the way are the same, and in cases where they are not as with women returing from maternity leave Ciklopea has programs in place to try to level the playing field.

✓ Our managment board is made up of 1 male director and 1 female director whos ratio of salary is 1:1.

Labor and Management Relations and Occupational Health and Safety

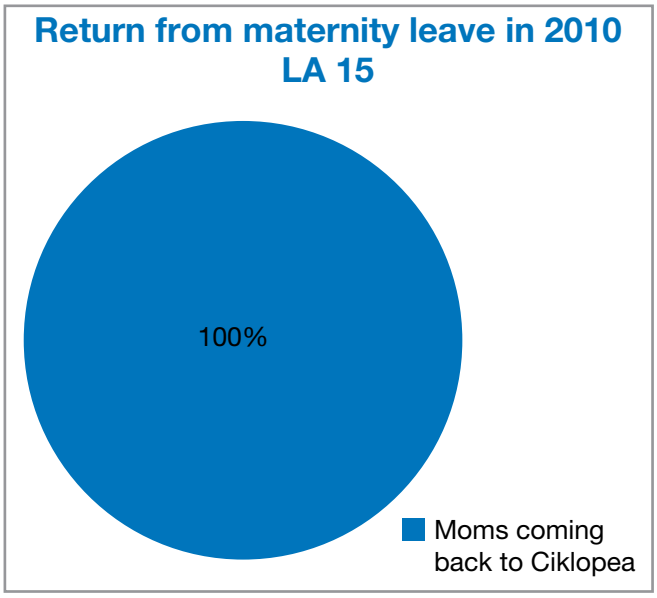
Motherhood at Ciklopea

Eighty-eight pecent of our employees are female. In 2010 one third of our employees were also mothers to mainly pre-adolesent children. In 2011 this trend will contines as two more employees will go on maternity leave. All to offten it happens that companies invest in employees, only not to see them return from maternity leave as the conditions in their company are not condusive to both working and raising children. There is not a single company today that would not decleare that they have fair and equal treatment for both men and women. But what does the word fair mean. At Ciklopea we think it means leveling the playing ground for our female employees by offering them some benefits.

Ciklopea returns our female employees to the same position they left from, or a position of equal complexity. Regradless of the position, the employee is always compensated at the same level they left from. Our mothers have the benefit of flexible work time and not just in terms of coming in and leaving the work place but they can on certain days choose to work from home instead of coming into the office at all. These conditions were not formalized in 2010 since we are still a small company .

To accomodate for future growth 2011 we are planning to formalize this initiative and make it available to most of our employees and not only mothers with young children.

Presenting our next indicator makes us very proud as it proves that we are on the right tract and our commitment is beyond declarative.



LA4

✓ Our employees are not covered by collective bargaining agreements but they have an elected employee representative that presents issues that might arise to the management board.

LA5

✓ So far we do not have any minimum notice periods regarding significant operational changes. The reason we have chosen this indicator is that the company has gone through significant operational changes in 2010 and will continue to do so in 2011. Our employees have expressed their concern at not having enough notice or clarification as far as operational changes and this is a concern the organization is aware of and wants to improve on.

LA8

✓ All staff in 2010 have gone trough the mandatory first aid and work safety training. Since our inception in 2003 we have had no work related injuries reported. In the following year new staff will undergo work safety training. All staff will undergo computer work safety training in 2011 due to changes in the work safety laws.

„An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."
Jack Welch

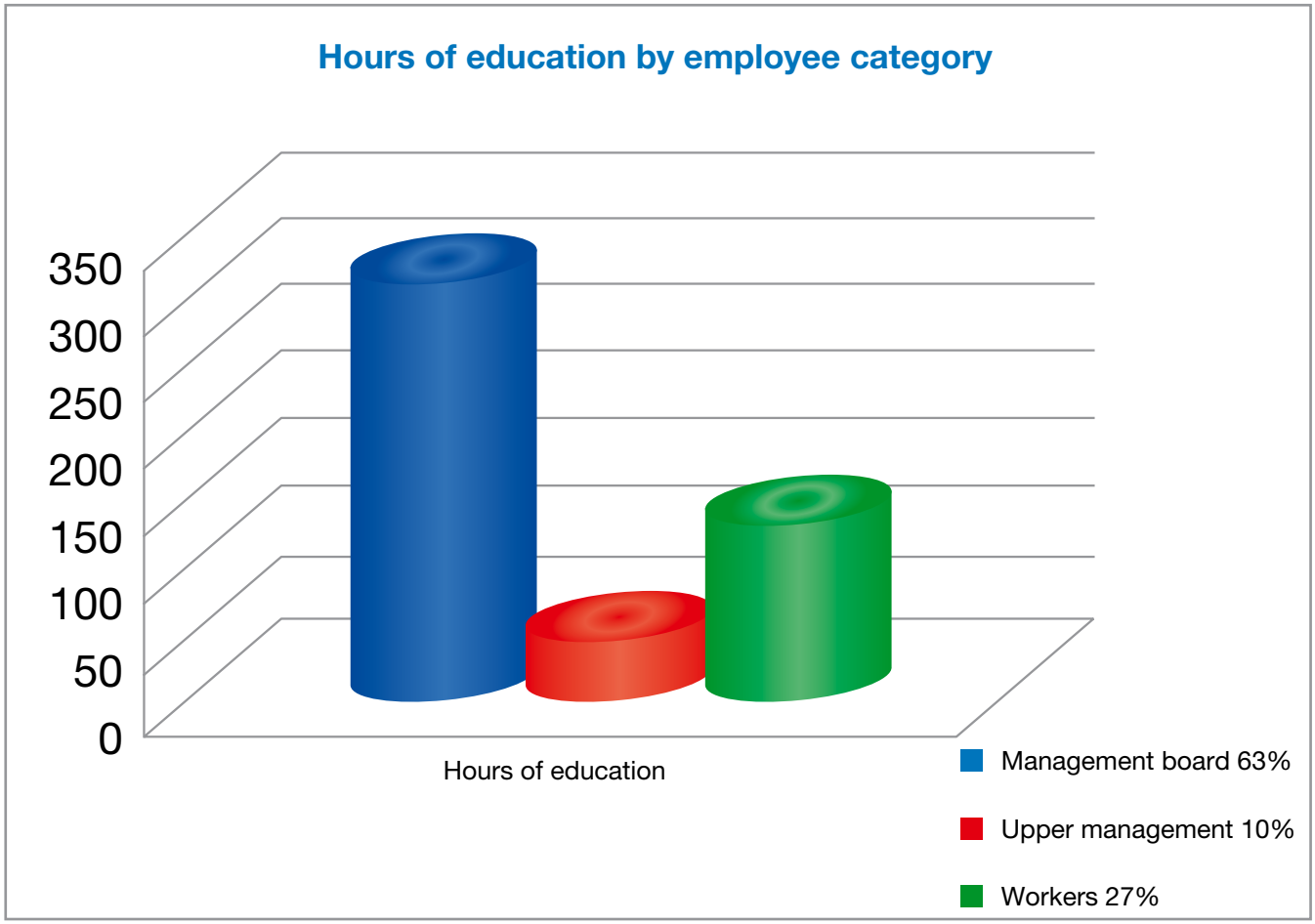
Education

What you know is what you are. What an organization's employees know and can apply is already key at any industry, especially a rapidly changing one like the translation industry. 93% of our employees have had some form of education in 2010. Ciklopea has strived to become a learing organization and our plans include an internal Project Management Academy as well as responding to the educational requests made by our translators.

LA 10.

Total number of education hours in 2010 is 496 h or 62 days.

Total number of hours of education per emlopyee in 2010 is 35 h.



In year 2011 Ciklopea will impove on this number expecially focusing on increasing the number of education hours for upper managers and translators (workers).

LA12-ADD

In year 2010 Ciklopea started using employee evaluation reviews and has currently gone trough one cycle of employee evaluations.

It has been said that something as small as the flutter of a butterfly's wing can ultimately cause a typhoon halfway around the world - Chaos Theory

Rethink
Reduce
Reuse
Recycle

Enviroment

Here at CIKLOPEA the first step to greening our footprint was indeed the word rethink. Throughout the years we recycled our paper and toner, in order to control our operational fixed costs, but as we work from our offices and sell our knowledge and not a product our environmental impact is limited. As an organization there was no conscious or organized effort to implement any additional "above and beyond" environmental measures. Like most we recycled, took care of proper disposal of electronic equipment and controlled our energy outputs but these activities were really an afterthought. The creation of this report provoked a more serious kick off discussion about what we could as an organization implement to improve our environmental impact and if we could indeed go beyond what we have done in 2010.

Things we already do:

1. The paper used in copier or printers is FSC approved and derived from responsible sources and we recycle it.
2. Get everybody to turn off their computers at the end of the day
3. Use organically grown and locally produced lavender bags as our small gifts to business partners.
4. Use 100% paper bags from made from recycled paper.
5. Participate in mass transit. All of our employees receive payment for transportation in the city they live.
6. We use all the available technology to teleconference, post on blogs and forums and do not meet unless it is necessary.
7. We do not turn on the office lights unless we have to, the windows in our offices let in a lot of natural light.
8. We do not keep the windows ajar and the heating on, we air out the rooms and close the windows to conserve energy.
9. Food is eaten with real spoons and forks and coffee and tea is drunk from porcelain cups. The paper cups and plastic cutlery we do get from deliveries, employees take home and use.
10. Have procedures for the disposal of electronic equipment, old batteries and other waste.

EN28

✓ During year 2010 there has been no monetary or other fines for non-compliance with environmental laws and regulations.

One of the things we plan on doing in 2011 is testing our employees on their environmental impact consciousness and holding a workshop in which we will outline further initiatives for reducing cost such as the above fuel cost.

EN3.

Energy costs in 2010	35.129,00 HRK
Electrical energy	16.656,00 HRK
Natural gas	3.794,00 HRK
Fuel costs	14.679,00 HRK

In this context, we hope to reach out to our stakeholders. We want to hear from you about initiatives you have had in your offices and what else we could do to improve?

Human rights, child labor & corruption

During 2005 Ciklopea signed a ethical proclamation issued by the Croatian Chamber of commerce promising to uphoald the highest ethical standards regarding issues such as human rights, forced and child labour and corruption. During 2010 we produced and presented our employees with our internal code of conduct that inludes many of the same principles.

During 2011 we plan to issue a statment regarding our respect for human rights (Izjava o ljudskim pravima) and present it on our web pages.

Since respect for human rights is such a big part of the culture in our environment there was no need for employees to receive any additional training on policies and procedures concerning aspects of human rights. The situation is the same for child labour. None of our partners have ever been at any risk for incidents of child labour practices.

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S08

✓ Ciklopea has had no fines or non-monitary sanctions for non compliance with laws and regulations since its inception in 2003.

S02-S04

✓ Ciklopea Ltd has never been analysed in connection with any corruption charges in any way. Our employees do not receive anti-corruption training since there have never been any incidents. Our internal code of conduct covers corruption and how to deal with inappropiate situations if they should arise. There has never been an action taken in response any sort of corruption since the formation of the company in 2003.

Conclusions & Goals for 2011

Trough out the report CIKLOPEA has stated that we will improve in many areas.

We have put together a checklist so it is even easier for our stakeholders and ourselfs to keep track of our progress.

1. More active role in community projects. Focus on cooperation with the academic community and reaching out to the students and proffesors in our field.

2. Better human resources practices such as formalizing flexible work argangments, undertaking employee satisfaction surveys, increasing hours of education for workers and upper management.

3. Further greening of our offices and homes.

4. In 2011 we plan to issue a statment regarding our respect for human rights (Izjava o ljudskim pravima) and present it on our web pages.

Too offten, companies use sustainability reports as a marketing tool only . Undeniably, the report itself has marketing potential but we hope that while reading our report you have realized that this report holds a much more strategic value for us. Generally, one always hears of dishartening examples of employers that treat employees badly, violate laws and other such horid practises. We are certain that there is hope for our economy and our future and we know and work with many smaller companies like our own that have outstanding and sustanable practices, but do not have the resources to report . Ciklopea hopes to lead by example and encourage our “small” partner companies to make the step to reporting on their own sustanable practices. Now this is a nice declarative statmetnt but we are ready to “walk the talk”. Our HR department is willing to advise small and medium companies free of charge on how to begin the proces that leads to reporting during 2010, present the process of reporting to interesed stakeholders and the community and the company will offer a 20% discount on translation of all CSR reports in 2011.

Give the world the best you have and the best will come back to you.

GRI G3- Content Index

Profile Disclosure	Description	Page reported on	Explanation for omission	Primjenjivo načelo Global Compacta
1.1	Statement from the most senior decision-maker of the organization.	1		

Organizational profile

2.1	Name of the organization.	6,7		
2.2	Primary brands, products, and/or services.	6,7		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	6,7		
2.4	Location of organization's headquarters.	6,7		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	6,7		
2.6	Nature of ownership and legal form.	6,7		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	6,7		
2.8	Scale of the reporting organization.	6,7		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	N/A		
2.10	Awards received in the reporting period.	6,7		

Disclosure. Boundary and Scope of the Report

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	29		
3.2	Date of most recent previous report (if any).	N/A		
3.3	Reporting cycle (annual, biennial, etc.)	29		
3.4	Contact point for questions regarding the report or its contents.	29		
3.5	Process for defining report content.	2-3		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	3		
3.7	State any specific limitations on the scope or boundary of the report	N/A		

Profile Disclosure	Description	Page reported on	Explanation for omission	Primjenjivo načelo Global Compacta
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	N/A		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	N/A		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	N/A		
3.12	Table identifying the location of the Standard Disclosures in the report.	25		

Corporate Governance

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	6,7		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	6,7		
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	6		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	2,3		
4.14	List of stakeholder groups engaged by the organization.	2,3		
4.15	Basis for identification and selection of stakeholders with whom to engage.	2,3		

Profile Disclosure	Description	Page reported on	Explanation for omission	Primjenjivo načelo Global Compacta
Economic Indicators				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	9		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	9		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	10		
Environmental indicators				
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EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	21		
Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.13	12		
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region. 14	13		
LA15	Return to work and retention rates after parental leave, by gender. 16	16		
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	14		
LA14	Ratio of basic salary of men to women by employee category.	14		

Profile Disclosure	Description	Page reported on	Explanation for omission	Primjenjivo načelo Global Compacta
Management and employee relations				
LA4	Percentage of employees covered by collective bargaining agreements.	16		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	16		
Education and training				
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	16		
LA10	Average hours of training per year per employee by gender, and by employee category.	18		
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	22		
Child labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	23		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	23		
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	23		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	23		
SO4	Actions taken in response to incidents of corruption.	23		

GRI Delaration Level

Report Application Level	C	C+
Standard Disclosures: Profile Disclosures (OUTPUT)	Report on 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured
Standard Disclosures: Disclosures on Management Approach (OUTPUT)	Not Requires	Report Externally Assured
Standard Disclosures: Performance Indicators & Sector Supplement Performance Indicators (OUTPUT)	Report fully on a minimum of and 10 Terformance Indicatirs, including at least one from each: social, economic, and environment.***	

* Sektorski dodaci u konačnoj verziji

This a level C or C+ report and Ciklopea will report on an annual basis.

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