



CORPORATE SOCIAL RESPONSIBILITY REPORT

Business always means a responsibility to society

CONTENTS

page 3

COMPANY

page 4

COMPANY
HISTORY

page 6

COMPANY FACTS
GEOGRAPHY
OF WORK

page 7

CORPORATE SOCIAL
RESPONSIBILITY
POLICY

page 13

COMMUNITY
INVOLVEMENT AND
DEVELOPMENT

page 20

LABOR PRACTICES

page 28

HUMAN RIGHTS

page 33

FAIR OPERATING
PRACTICES

page 37

ENVIRONMENTAL
IMPACTS

page 44

CONSUMER
ISSUES

page 52

ORGANIZATION
GOVERNANCE

COMPANY

ICL Services is a Russian company that provides world-class managed IT services to its clients. We are the IT company in ICL Group and operate in the international market since 2006.



Included in the IAOP*
TOP-100 rating



24/7/365

Customer Support in
English, Russian, French
and German



Quality and standards
(availability of certificates):

- ▶ ISO 9001
- ▶ ISO/IEC 20000
- ▶ ISO/IEC 27001



**80 large
customers**

in 30 countries

ICL Services provides:

guaranteed availability of IT infrastructure and applications, as well as full compliance with the SLA;

minimizing and sharing IT infrastructure management risks with the customer;

integrated services for all IT infrastructure components from data centers and user workstation to complex business-critical applications with modern methodologies and flexible service models;

transformation and upgrading of IT infrastructure using effective technology;

business performance increase through reliable and stable IT services.

**IAOP – International Association of Outsourcing Professionals.*

COMPANY HISTORY

1997

Fujitsu Group buys company International Computers Limited (ICL) and performs its rebranding in Fujitsu Services. New business model was developed following by formation of a team of qualified managers. From this time point ICL-KME CS is a part of Fujitsu Limited.

2006

Formation of Fujitsu Russia GDC (later ICL Services) as a separate subdivision of ICL-KME CS.

2007

Creation of competence center for integrated solutions used in retail automation and logistics. The development of Application Services (AS) and Test and Validation (T&V) - subsequently - Workplace Services (WS).

2008

Formation of Infrastructure Services. Beginning of remote administration of IT infrastructure of customers. In 2014 IS and WS formed a single structure called Managed Infrastructure.

2012

The division of Fujitsu Russia GDC was opened in Voronezh.

2013

ICL Group withdraws from Fujitsu Group in order to implement an independent development strategy in the Russian market. At the same time Russia GDC continues to cooperate with companies of the Fujitsu Group with the status "Fujitsu's preferred supplier of Services".

2014

Russia GDC enters the Russian market under the brand ICL Services. The brand is based on the idea of unique services based on the Western experience, international standards and highly qualified personnel.

2015

ICL Services is now among world top 100 outsourcing companies. Solution developed by ICL Services experts won in the innovation time contest in the category "Technology Innovation of the Year".

2016

ICL Services opens its first overseas office in Belgrade (Serbia). Our company was listed for the second time in the TOP 100 of the largest outsourcing providers in the world according to the IAOP. Partnership agreements with the largest IT vendors (Cegid, Omninet and Red Hat) are formed.

2017

In 2017 Hr team of ICL Services won in the "First Steps" category in "IT HR Award" with the program for beginners called "Buddy". The Expert Council of the annual award "Innovation Time-2017" named ICL Workspace solution as the "Product of the Year" in the "IT and Digital Technologies" category. For the third year in a row, our company entered the Global Outsourcing top -100 rating, compiled by the International Association of Outsourcing Professionals (IAOP).



2018

Expanded partnerships in the Asian region (Japan, Singapore). We are actively develop competencies in [IoT](#), machine learning and robotization. In June, ICL Services reached Huawei certification level 5. ICL Services CEO Sergey Soloviev was awarded the title "Honored worker of information and communication of the Tatarstan Republic". ICL Services is planning to complete 2018 year with a 30% service volumes increase.

Opening new office in Usady, Kazan

COMPANY FACTS
GEOGRAPHY OF WORK

>1533
employees

>900
jobs were created in the
Republic of Tatarstan

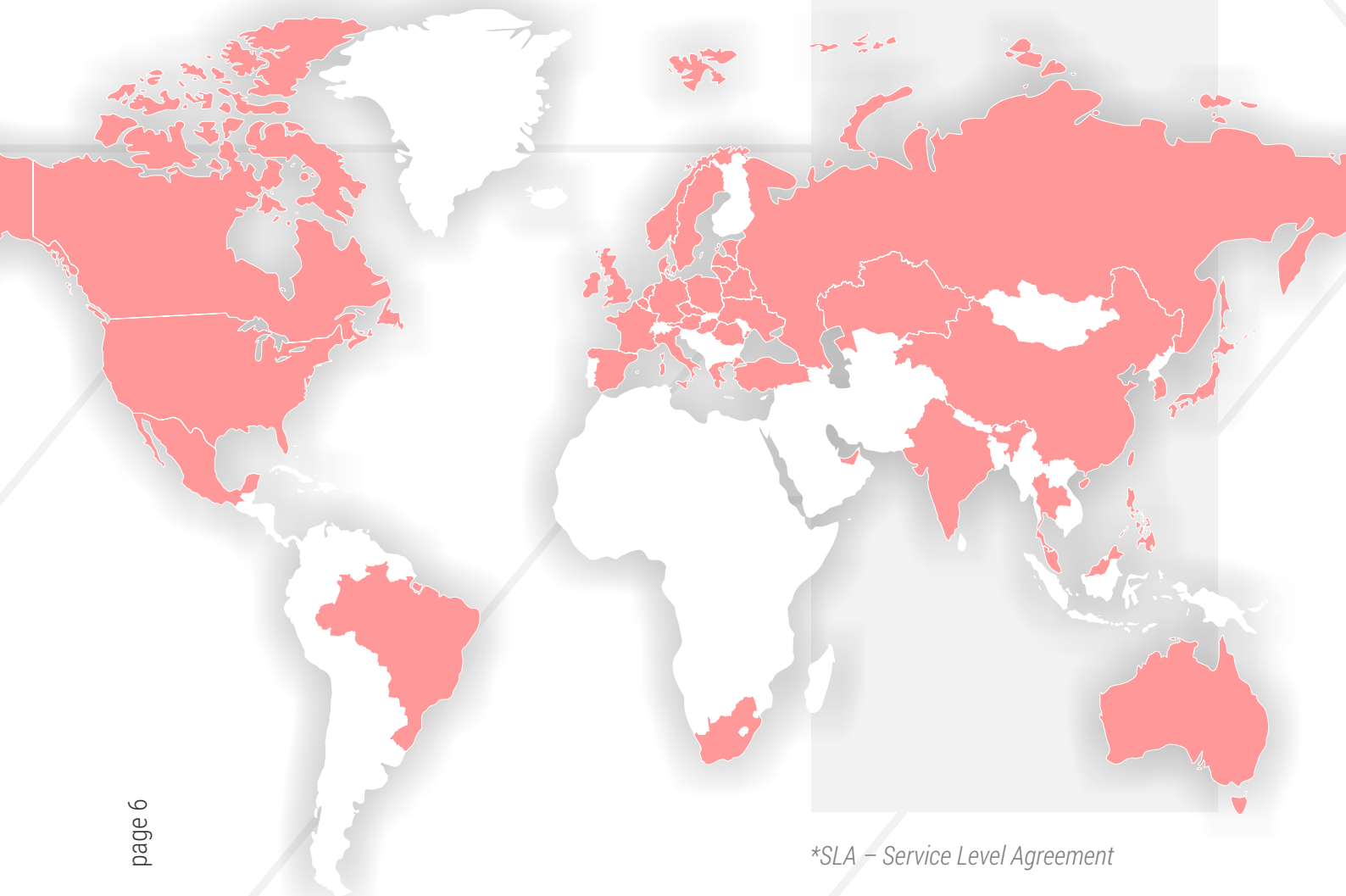
14 000
servers supported

250 business
applications

>80 large customers
in 30 countries

13 PBytes of data
warehousing and
8000 DBase with
4 PB in total volume

99,3%
level of compliance the SLA*



*SLA – Service Level Agreement

CORPORATE SOCIAL RESPONSIBILITY POLICY



Goals

ICL Services sets GOALS in assessment of Social Responsibility:

Increase Customer loyalty by expanding their involvement in the resolution of socially significant issues.

Consolidating the Company's competitive edge by creating an image on both markets – on domestic and global markets.

Promoting the sustainable development of society on the territories where the Company conducts business.

The main objectives

The main objectives in assessment of Social Responsibility:

Social Responsibility principles integration into the Company's business activity.

Creating mechanisms for determining and registration of stakeholder's interest in the operations of the Company as well as informing the interested parties on the results of the Company's activities in the sphere of social responsibility.

Attaining an additional positive effect from social Company's activities and increasing of its brand value.

Attaining an excellence in management in assessment of Social Responsibility by organization of system work. A planning process organization of the activities in assessment of Social Responsibility, attaining cost effectiveness.

Control over and management of the Company's reputation risk level as it pertains to Social Responsibility related matters.

The company's principles towards corporate social responsibility

Company recognizes its responsibility of economic, social and environmental implications of undertakings and observes following principles defined by international standard ISO 26000:



Respect for human rights.

The company respects human rights, realizing that they are inseparably applicable in the countries where the company operates, in all cultures and circumstances, it takes measures to comply with them, considers it to be unacceptable to benefit from situations where the law or its implementation does not provide commensurate protection of human rights.

Transparency.

The company strives to disclose in a clear, accurate, complete, reasonable and sufficient form its policy, decisions and activities for which it is responsible including the known and likely impacts on society, economy and environment. The principle of transparency does not imply the disclosure of confidential information or information which disclosure may result in a violation of legal, commercial, security and privacy obligations.

Respect for the rule of law and international norms of behavior.

The company complies with all applicable laws and regulations, takes steps to identify and study such applicable laws and regulations, informs employees about the responsibility for compliance and promotes the adoption of appropriate and timely measures to ensure compliance with the law in all company's jurisdictions.

04

Accountability.

The company recognizes the need for regular reporting on the impact of its activities on society, economy and environment. It is considering constructive criticism of parties concerned as a source of the improvement of its activities and will respond to such criticism, which includes measures aimed at preventing the recurrence of negative impacts. The relationships between Company and our main stakeholders are the area of application and Social Responsibility controlled object. In order to implement the Policy we identify the following stakeholders and their groups (*Table 1*).

To making work the relationship management with our stakeholders, we focused our activities in assessment of Social Responsibility on following priorities (*Table 2*).

05

Ethical behavior.

The company considers ethical the behavior of its employees, which corresponds to the company's mission and values.

06

The principle of taking stakeholder's interests into consideration.

The company continuously interacts with parties concerned, on a regular basis it identifies, assesses and takes into account the expectations and interests of those parties through meetings, interviews, surveys, and analysis of complaints.



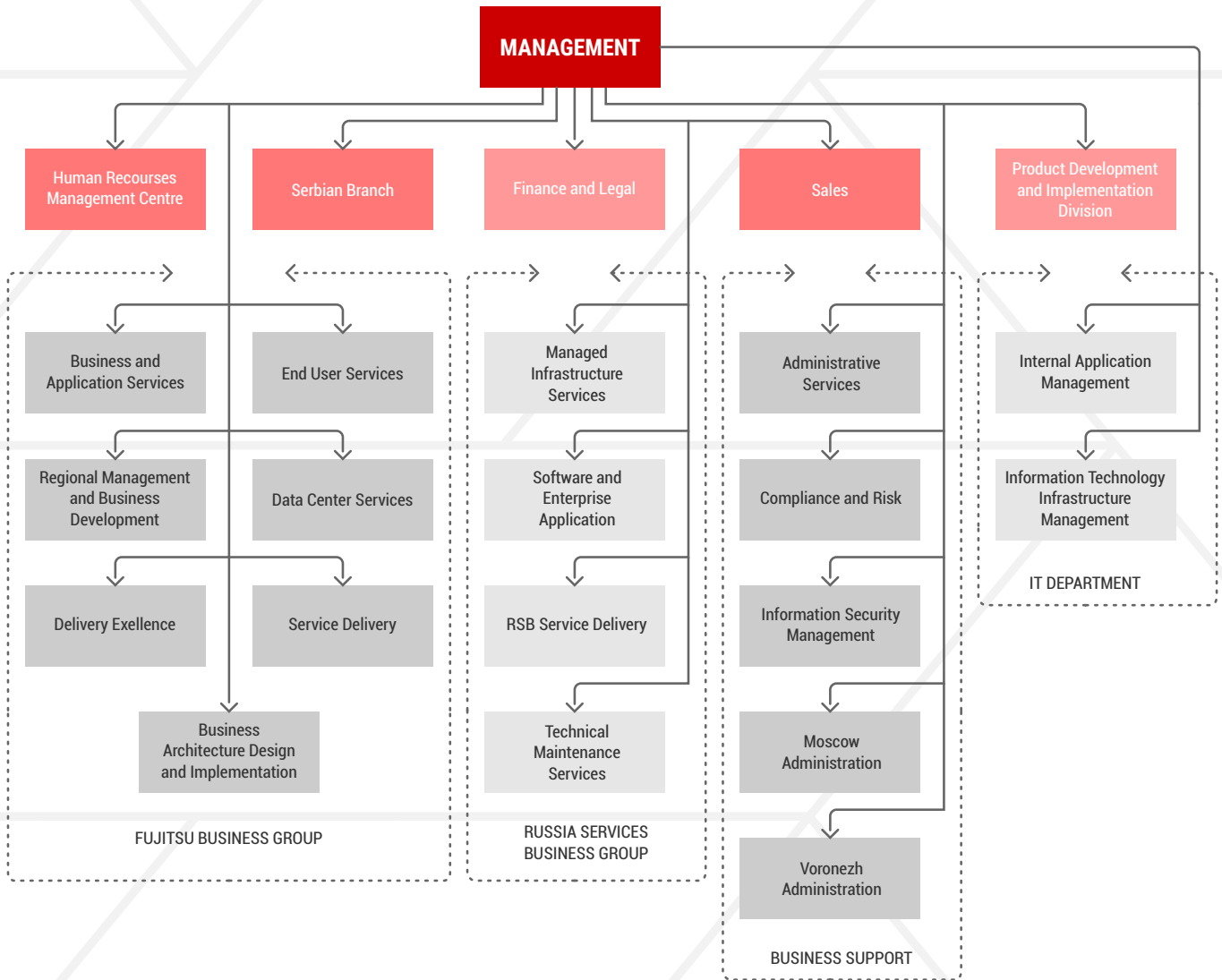
Table 1. Definition and classification of major stakeholders

GROUP	JUSTIFICATION
Customers	Customers are service consumers. Their preferences define the sustainability of the company's business.
Employees	The company is a major employer. Employees are the company's main asset; they work with its customers, develop its reputation, and implement the company's strategic and business goals.
Society (local communities)	The company interacts with society (local communities). Its activities are connected to the social and ecological environments in which it is active.
Founders and investors	The company is interested in maintaining transparent and open relationships with its founders and investors.
State	The company is a major division of a large tax-payer. The state is an important partner of the company.

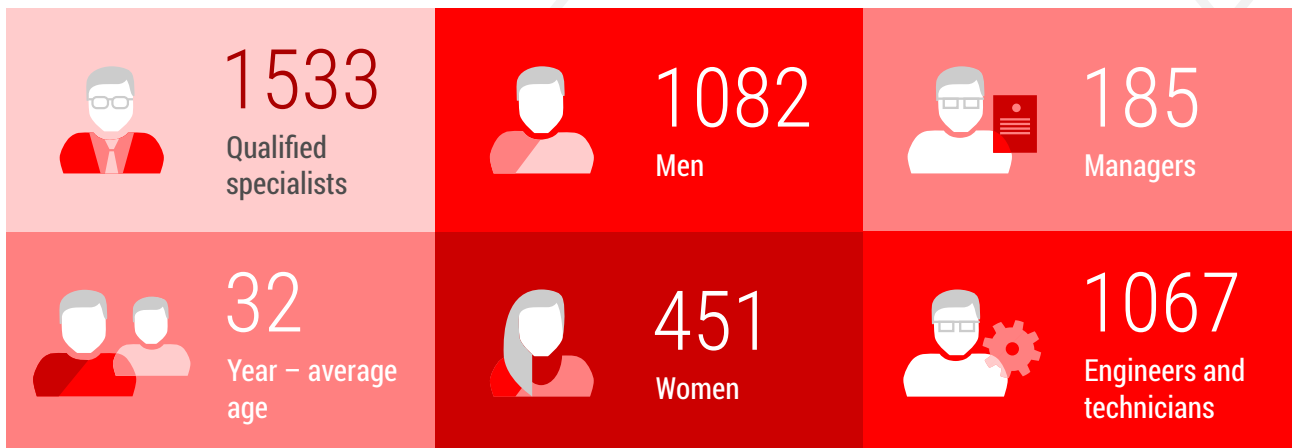
Table 2. The company's corporate and social responsibility priorities

STAKEHOLDER GROUP	CORPORATE AND SOCIAL RESPONSIBILITY PRIORITIES
Customers	Quality of products and services. Availability of services.
Employees	Investing into human capital. Supporting the family as a social institution.
Society (local communities)	Charity and sponsorship. Minimization of negative environmental impacts.
Founders and investors	Responsible corporate behavior.
State	Contributing to the economic development of the regions where the company is active.

CORPORATE STRUCTURE



FACTS ABOUT COMPANY STAFF



Values

It is equally important for getting high-effective results to have the professional knowledges and skills and also to share correct values inside the Company. We share 5 core values in internal and external relations and interactions:



RULES

= pooling knowledge and experience, which help us in our work and communications

RESULT

= the outcome of joint efforts, which satisfies us and our customers completely

RESPONSIBILITY

= ability and readiness to be responsible for the result

DEVELOPMENT

= continuous improvement in completing tasks and achieving new goals

TRUST

= confidence in each other's responsibility and reliability

COMMUNITY INVOLVEMENT AND DEVELOPMENT

ICL Services: an Anti-Crisis Charity Model

Is the crisis helpful?

Over the past four years, Russia has been suffering from a difficult economic and political situation. About 50% of the companies that took part in the [survey](#) of Zircon research group, Pricewaterhouse Coopers, Donor Forum and CAF Russia have ceased to support charitable organizations or minimized their financial contribution to charity events.

Despite this, the number of ordinary citizens and companies that are actively involved in charity is gradually growing. According to the study of the British Charities Aid Foundation (CAF), conducted in January 2016, Russia entered the top 10 of 24 countries and took the 8th place in terms of private donations to charities in relation to GDP (0.34%). Many Russian companies have found a new model of behavior in the conditions of the economic crisis. After reducing their contributions to charities, companies have focused not on direct donations, but on motivating their employees to participate in charity. ICL Services, which is an international IT company, has also taken this path.



How to involve people in charity?

ICL Services, as one of the leaders in its market segment, not only successfully copes with its main role of the largest IT outsourcer in the region, but also makes a significant contribution to the social and environmental well-being of society and adheres to the international standards. ICL Services demonstrates that charitable projects are not limited to direct cash investments, but are also associated with active social positions of the company's employees.

Each employee can choose an area of social activity of the company, which he/she is interested in:

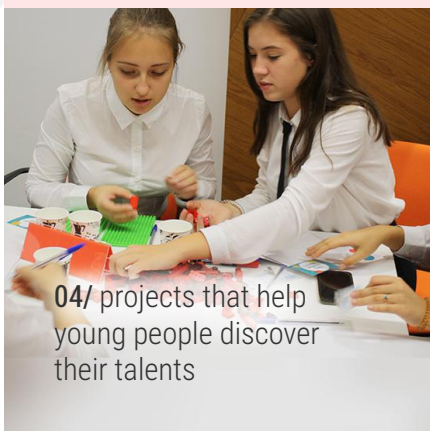
01/ many small events to support dedicated children's institutions



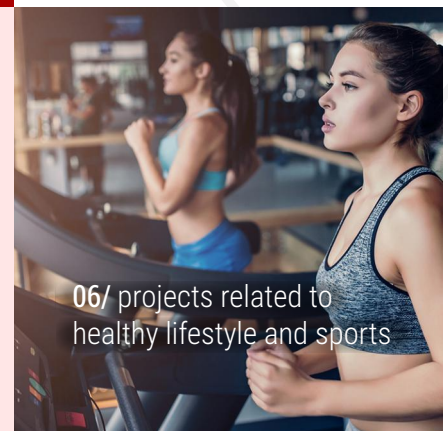
03/ regional social projects

Only in 2017–2018, ICL Services organized and participated in

50+ charity events uniting 1,400 of its concerned employees



05/ projects to assist veterans



The projects are managed by about 20 volunteers who discuss initiatives on a weekly basis and implement quarterly plans within the framework of social projects. After preparing plans for each new initiative, the organizers publish news about the event and recruit a team of volunteers from among the concerned employees.

Employees can also propose their own projects and implement them. The company supports such initiatives and demonstrates that everyone can easily become an organizer and cope with this task.

Special charity

ICL Services strives for continuous development not only in relation to the workflows and results, but also regarding the social life of the company and the region as a whole. The company prevents possible violations of human rights, maintains total transparency in its relationships with partners and encourages innovation and the desire of employees to contribute to the life of the whole society by performing their work or by taking an active part in social life.

The corporate culture of ICL Services successfully combines Western and Russian approaches due to the unique history of the company, and this affects all its activities, including charity. The following principles and decisions have become especially successful for the company in the field of charity.

One-time events vs long-term projects

Over the past 10 years, corporate charity has included both one-time events ([donation of computers](#) to Beslan students in 2004, assistance to sick children in 2011–2017, purchase of new year gifts to patients of the psychoneurologic dispensary, etc.) and long-term sponsorship of children's and nursing

homes of the Republic of Tatarstan, as well as assistance to veterans of labor (holding of meetings, sponsorship), fulfillment of children's new year wishes, etc. However, the company prefers one-time short-term events. This is largely due to the desire of employees to get a quick result that is to help the needy and get psychological satisfaction

from a good deed here and now. The second reason is due to the fact that different events have different audiences with different interests. And the company itself thus easier facilitates the motivation of employees and the involvement of volunteers in projects, as it can use a lot of news hook.

Social activities of the company include various campaigns and events, from collecting clothes for the needy (2017), gardening and outdoor cleaning (The Memory Alley campaign, gardening in Usady, and cleaning of city parks) to long-term office activities for the collection and disposal of batteries and recycling of waste paper, followed by the allocation of funds for charity projects.

Landscape and shade gardening in the settlement of Usady (2018)

Only in 2017, the company's volunteers:

collected

300 kg of waste paper

Money earned from recycling the paper was donated to the Fund of Anjela Vavilova.

organized the collection of clothes for those in need and donated

60 kg of clothes

to the Freemarket and the Khoroshiye Ruki (Good Hands) charity warehouse.

delivered

30 kg of food

to nurseries for homeless dogs

Targeted Aid

Our colleagues prefer to help specific organizations and people they know personally. According to a survey conducted by the Center for Studies of Civil Society and the Nonprofit Sector (CSCSNS) of National Research University Higher School of Economics (HSE), 57% of Russians do not believe in the selfless motives of most charitable organizations. 43% of respondents believe that charity is only one of the types of self-promotion. 39% believe that charitable organizations are a cover for unfair businesses. And finally, only 5% of respondents admit that very rich people can donate some funds selflessly.

Therefore, it is not surprising that our employees prefer to get acquainted with those who are assisted and supported:

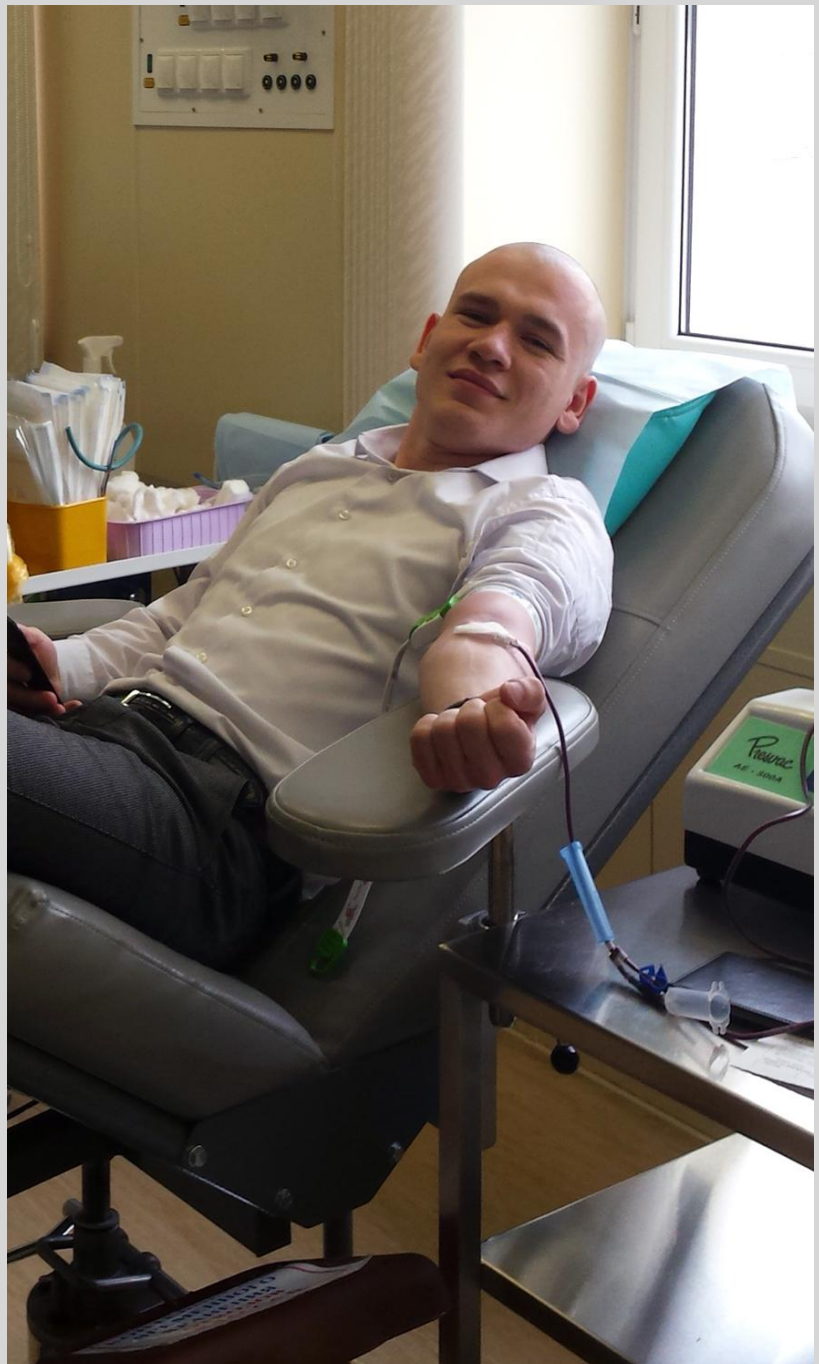
- participation in the Million in Loose Change campaign, namely, crowdfunding, assistance with logistics, collection of donations, and internal information campaign

- collection of donations for the Mothers of Kazan organization, which takes care of orphans

- participation in the Kindness Fair, which was originally an initiative of the Kazan Gymnasium No. 19, and then turned into a city-wide event

- blood donation to donor funds 2 times a year

- visits to children's homes, correctional schools, and nursing homes



Donor Day (2018)



Participants of the educational project in Kazan Gymnasium № 19 (2017)

Development

The company participates in joint educational programs with IT universities and invests in educational projects, scholarship programs, internships, and training courses. In addition, the company's employees are engaged in the professional orientation of young people, contribute to the professional development and help talented students to take the first steps to build a career in the promising and rapidly changing IT field. The company does not force the participants of such campaigns to compulsory employment and does not charge participation fees.

Last year, the company took part in 30+ job fairs, as well as projects and events for students and schoolchildren aimed at promoting IT as a promising and attractive field of activity in the region. On-site defense of diploma thesis, practical training and internship are part of a well-established mechanism of interaction between students and the company.

Anonymity

It is interesting that the company's employees often object to their names and photos appearing in the corporate media, especially when it comes to direct cash donations. At the same time, they actively support personal participation in events and targeted in-kind aid. We can assume that this is due to the Russian mentality and the fact that we do not like to discuss our good deeds widely.

Growth

The intensification of private charity in ICL Services during the crisis can be associated with the desire of specific employees to help those who really need their assistance, that is, to do a good deed. The company's task is to support such initiatives and promote their implementation. As for the corporate charity, where each initiative comes from the company itself, it is an excellent method to motivate employees and properly utilize their energy, as well as to assess the effectiveness of specific programs and choose the most effective ways to implement social programs with the participation of caring employees.

We are pleased with the fact that every year there are more and more such employees, which indicates the stable growth of the company even in such rough times.



LABOR PRACTICES

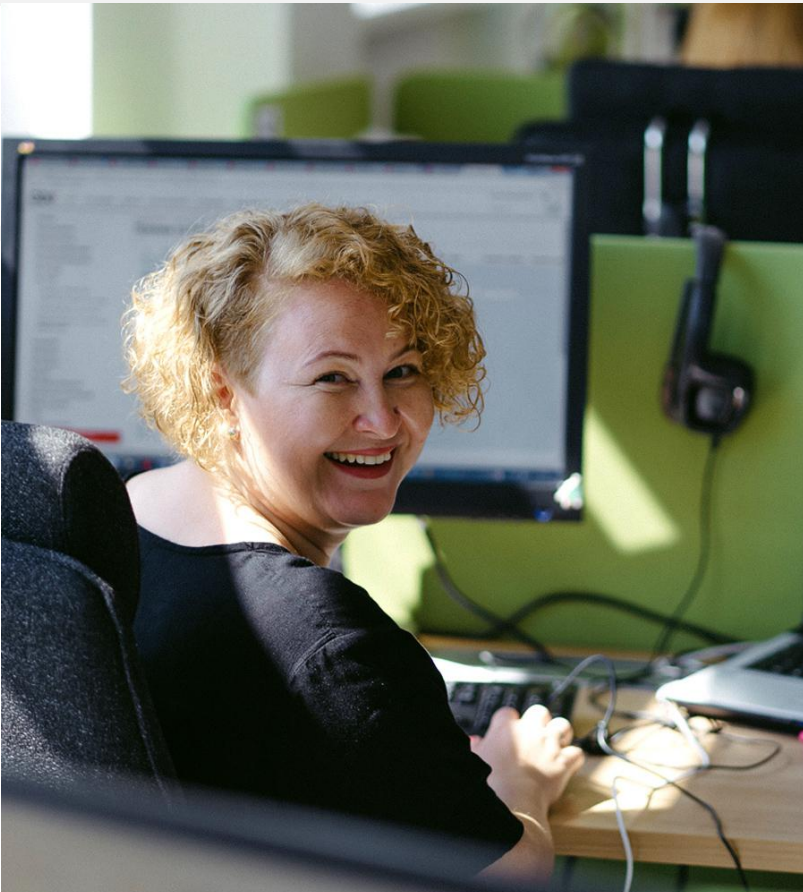
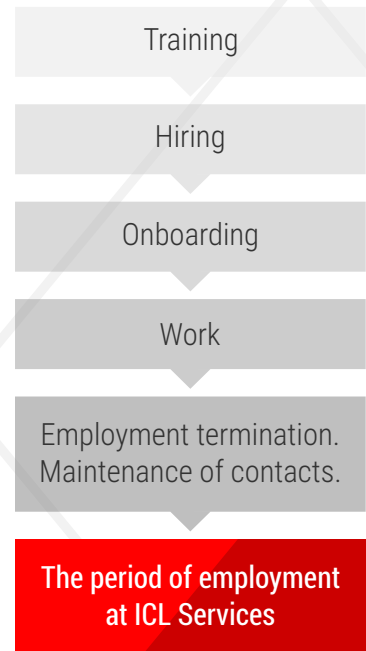
Work processes in ICL Services: 5 steps for achieving the best results

We conduct the annual internal employee engagement survey. Recent results showed that 85% of employees are willing to recommend ICL Services as a preferred employer.

This indirectly confirms the effectiveness of the company's corporate social responsibility policy. One of the components of this policy is represented by work processes that have been designed and systematized in full accordance with the interests of the employees and the employer. Work processes provide maximum comfort, efficiency and sustainable development for both parties.

Reference point. When does the relationship between an employee and the company start?

We believe that the relationship between the employee and the company will be the most stable and mutually beneficial only when they are not limited to the scope of the employment contract. The high-level diagram of employment stages in ICL Services is shown below.



01

Occupational training

The capabilities of a large IT company allow us to add practical training to the university theoretical courses in the field of IT. According to the students themselves, not only the opportunity to improve their knowledge and skills is important, but also the experience of participation in processes and projects as part of a real IT team. As a rule, such experience is especially lacking in universities or small regional companies, where young professionals often start their career.

We have deployed the following training system for young professionals:

- career guidance and basic elements required for IT specialists (in featured schools);

- fundamental education at the premises of IT universities;

- internships for students working on real projects.

- short-term special IT courses (Database, IT Security, etc.) provided by the company;

The company's strategic policy decision is that the students are not obliged to work for ICL Services in the future. However, many interns and course graduates join the company. The rest of them become members of the local IT community, and the knowledge that they have gained from ICL Services increases its overall level.



02

Hiring

The main task of the company and the candidate at the hiring stage is to prudently assess the prospects for further cooperation. However, it is equally important to make the selection process comfortable for the applicant.

This approach not only increases the probability of successful hiring, but also contributes to the company's reputation in the labor market and improves the efficiency of onboarding and subsequent work of the employee.

The following are the basic principles of ICL Services in respect of recruitment:

Access to the company's information. ICL Services is present on specialized websites and job fairs, social networks and other job search websites; at the same time, the company provides quick responses to applicants.

Comfort and care. For example, ICL Services compensates 50% of transport expenses for applicants; new employees will get help in finding a home and handling registration.

Impartial assessment that is understandable to the applicant. During the interview, applicants talk to HR, technical experts and their future managers. This reduces the risk of human error during evaluation and guarantees impartiality.

03

Onboarding

After recruitment, new employees need help in onboarding at the company and getting acquainted with the team. Corresponding processes are deployed in ICL Services: 100% of new employees will have a buddy for the first 3 months. This is an experienced worker and "personal adviser" who will answer all questions related to work and associated issues.



04

Work

Apart from compliance with the Labor Code of Russian Federation, employees will receive:

Clear performance evaluation. Personal KPIs decompose the company's strategic goals up to the level of individual experts. Automatic evaluation eliminates subjectivity. The evaluation system fully takes into account the interests of both business and employees, as a pilot project involving 100% of the team has been implemented before adoption, and then improvements are regularly made in accordance with the LEAN methodology.

Comfortable workplaces. In 2018, ICL Group built a new ultra-modern Technology Park and moved some of ICL Services divisions to this business center. The eight-storey office building with an area of almost 13 thousand square meters is located in an ecologically clean rural area within 20 minutes drive from the center of Kazan and near the airport. There are roads, bus routes and a train stop in close proximity to the office building. The building has areas for passive and active recreation, sports grounds, a dining room and a cafe, a drinking water supply system, etc. Modern noise insulation materials are used to improve comfort and productivity, including sound-absorbing ceilings, wall panels, and acoustic baffles for workstations. High-speed Wi-Fi allows employees to solve tasks anywhere in the office (activity based), for example, on comfortable sofas or at special tables for standing at work.

Clear "game rules". Work processes are logged in internal documents. Each employee can study them and they are mandatory for all staff, including top managers. In non-regulated scenarios,

you shall be guided by the company's code, and in critical situations (legal noncompliance, financial and reputational risk, etc.), contact the compliance manager and directors in person.

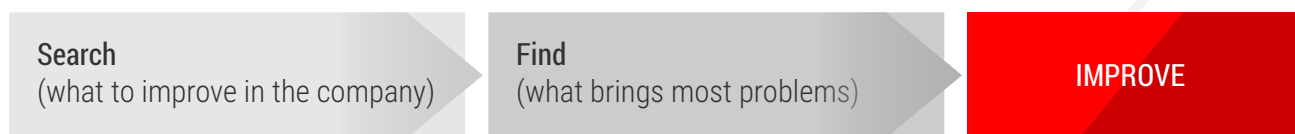
Safe workplaces reviewed by external experts.

Opportunities for education: internal and external courses (technical, soft skills, foreign language), vendor certification, internal library, "labor pool", etc. Number of employees who annually undergo internal or external training is more than 90%; and number of employees who pass certification exams at least once a year is 84%. There are over 50 providers of external training services for employees. This is very important because ICL Services is a service provider that specializes in high-tech and rapidly changing IT field.

Extended compensation package:

- ▶ health care (voluntary medical insurance for 100% of employees, vaccinations, allowance for health centers for the children of employees, allowance for sports, free football, volleyball and basketball classes);
- ▶ rest and entertainment (leave allowance, holidays for employees and their families, corporate recreation center, internal tournaments, corporate discounts in more than 30 coffee shops, stores, travel firms, etc.);
- ▶ help in important events (interest-free loans, allowance for weddings, birth of children and funerals of relatives);
- ▶ help with accommodation (relocation allowance or corporate apartment if moving from another city, housing communities for employees, allowance for mortgage interest).

The company's philosophy, both when providing services to customers and in relation to internal processes, is based on the principle of continuous improvement:



The key tool for continuous improvement is communication, in particular via feedback channels. Each employee can ask vital questions and get answers (including from top managers), as well as influence events inside the company by suggesting improvements and changes.



ICL Services maintains 13 feedback channels, for example:

Expert consultations – answers from field-specific employees (HR, administration, etc.) on staff questions.

An information terminal to collect feedback on the quality of food in the corporate canteen, etc.

Annual general survey. Results are taken into account when approving the annual action plan to improve all aspects of work – from the development of competencies or interaction with managers to administrative and economic issues.

iC-SAT – internal Customer SATisfaction, a survey to quickly evaluate the performance of internal services.

Change Processes service which allows employees to offer and justify the desired changes in any of the company's processes, from working with customers to the paperwork for a leave.

According to the internal survey,

95% of employees do not have problems with information inside the company.

"Red button" – a way to communicate about privacy violations, reputational risk for the company and other critical situations.

Strategy Update – personal meeting of top managers with volunteering employees.

77% are sure that they can address top managers, despite occupational hierarchy.

05

Termination of labor relations and further cooperation

The company keeps in contact with former colleagues, for example, we invite them on corporate holidays and tell them about new job openings. In turn, our alumni act as brand ambassadors and recommend our company to their friends, and sometimes they return to ICL Services.

Well-established work processes that take into account the interests of both the company and its employees are not the only factor that determines the business sustainability and the engagement of employees. However, this is one of the key features of a socially responsible company.



And more than that, a proper approach to workflow management creates a basis for the introduction of other components of the "social platform" at the company, for example, the widespread implementation of the principle of observing human rights or fruitful interaction with the local community.

Four Essential Steps to Building a Socially Responsible Business: ICL Services' Experience

In 2018, it is very strange to ask questions like "Should a company be socially responsible?" or "What does the company get from this?" The experience of hundreds of companies, from Gazprom to Nestle, shows that your responsibility to society is a prerequisite for long-term and sustainable success.

At the same time, it is more important to answer the following question: "How difficult is it to implement the principles of corporate social responsibility (CSR) within the company's practices?" Or, if we put in other words: "Where to begin?" If your company has also started implementing CSR practices, our experience may be useful for you.

WE ARE ICL SERVICES, AN IT COMPANY. WE ARE AMONG THE TOP 100 GLOBAL OUTSOURCERS AND PROVIDE SERVICES TO 80+ CUSTOMERS IN 30 COUNTRIES. 1,400+ ICL SERVICES EMPLOYEES WORK IN SIX OFFICES.



We have repeatedly talked about our experience in the field of corporate social responsibility, including the [principles of Realpolitik in CSR](#)

and the [launch of internal environmental initiatives](#). And now we want to describe our approaches to the implementation of

human rights protection practices within the routine operations of the company. To succeed in this area, we have taken four basic steps.

Step 1. Clarify the company's attitude to human rights protection

If you expect employees to share the company's vision of human rights protection, you should at least follow these steps:



define the company's point of view

it should be defined so that it is clear and can be decomposed to the daily practices of each employee

ambiguously describe the company's hierarchy of values (for example, clearly show what is more important: "to respect basic human rights" or "to perform the task at whatever the cost")

include all these provisions in a binding and generally available document

As for ICL Services, the principles of respect and observance of human rights, as well as the inadmissibility of getting benefits at the cost of their infringement, are described in one of the corporate policies. This is a high-level internal document which is mandatory.

Any order that is contrary to the current Policy can and must be disputed. Employees can address all issues related to the Policy adherence to the compliance manager or directly to the company's management. Thus, all employees understand the company's attitude and have everything they need to comply with it in their daily work.

Step 2. Exceed requirements

There are mandatory requirements related to observance of human rights: Labor Code of the Russian Federation, as well as other Russian and international laws and regulations. This is the letter of the law. However, the spirit of the law, as we understand it, is different: expand the range of state-provided basic guarantees to the maximum reasonable and feasible from the business point of view. For example, some of the measures we have taken are as follows:

The right for health and well-being. ICL Services provides its employees with private medical insurance, vaccinations, and fluorography. Our employees can engage in competitive sports on specially rented sites for free and receive a partial refund of the cost of gym membership.

The right to professional development. The company pays for external training and certification required to perform professional duties, and also provides access to free internal courses (technical, soft skills, languages). Up to 90% of employees annually use the opportunity to upgrade their skills.

The right to recognition and self-fulfilment. 15+ recognition programs in various fields (from achievements in professional activity to volunteering and mentoring) allow our employees to engage and succeed in the most interesting activities.



Step 3. Find partners who share your ideas

Cooperation with partners who do not share your CSR principles is dangerous for three reasons. First, it can damage the company's image. Second, if your employees systematically observe a partner who violates the CSR principles, they can adopt the worst practices. Third, by choosing contractors who violate human rights, you support them and motivate them to new violations.

To avoid the possibility of such cases, we created the Code for Suppliers and Business Partners. We provide [this document](#) and all our contractors must comply with it. If they follow the basic principles of the CSR in the field of environment protection, working with communities and observance of human rights, this Code does not require additional efforts from them and therefore it is unchallenged. But if the counterparty refuses to follow the Code, it is an alarming signal and a reason to refuse to cooperate.



Step 4. To turn the project into a process

Introduction of the CSR practices into company's activities is a project. But this project must eventually become a process that operates on a permanent basis and involves all employees. To do this, you need to lay a solid foundation for the CSR principles of CSR in the form of an unambiguous and clear attitude of the company. In addition, you should do the following:

monitor compliance with the company's attitude at all levels of the corporate hierarchy

deploy feedback channels for consultations, escalation and process improvement

allocate resources to promote adherence to the CSR principles as a corporate process

These four simple steps have helped us to create a system of practices to protect human rights and implement it in our company's business processes. Perhaps, our experience will also be useful to you.

FAIR OPERATING PRACTICES

Anti-corruption: Response and Prevention

According to the Russian economic crime [survey](#) 2018, prepared by PwC (PricewaterhouseCoopers), one of the largest consulting companies, the most widespread economic crime is illegal misappropriation of assets. It is followed by bribery and corruption. Procurement fraud takes third position.

Anticorruption efforts are being taken everywhere, but they have failed to reduce the amount of such crimes so far. This tendency is not typical for Russia but for the rest of world as well where the share of abusive practices among top managers of companies has increased in recent years.

To mitigate the impact of negative factors, companies strengthen their response and prevention measures. Years-long international practical experience of ICL Services indicates that taking anticorruption measures may be not just a nominal following the letter of the law but also a philosophy of market activity.



International business ethics

Being one of the Russian IT market leaders for many years, ICL Services has been honestly and openly fighting for clients offering high level of service, using the accumulated experience and global practices in the area of rendering IT-related services. ICL Services clients come from 30 countries. This has contributed to the development of a single approach to the compliance of the company employees with the anticorruption legislation of Russia and other countries of its presence. At the moment, anticorruption activities hold a hold a significant place in the social responsibility policy of the company.

The company has developed its own mandatory anticorruption policy which includes norms, principles, procedures for the interaction with government structures, political parties, charity activities.



The company has studied international approaches to fighting illegal activities. It uses the experience of global partners and operates a zero tolerance policy with respect to bribery and corruption. There is a Compliance Manager in the company whose duties include countermeasures to illegal practices and ensuring the operation of the internal corruption-related risk control and management system.

56%

of corporate respondents increased their spending on economic crime fighting during the last two years. Mainly, this is the result of increased amount of crime in Russia.

by 11%

(from 30% to 41%) as compared to 2016, the bribery and corruption level grew

25%

the total amount of economic crimes in the global corruption which is also growing

But why is corruption a big problem? Firstly, the damage is related to loss of finance and assets. Secondly, failure to comply with anticorruption ethic standards by partners and suppliers directly affects the positive image of a company. Therefore, corruption is impermissible in ICL Services practices. When making contacts, the company includes the clause on observance the requirements of the applicable anticorruption legislation. The following can be mentioned among other intangible consequences of economic crimes: low employee morale, deterioration of business relationships, as well as dealing with regulating authorities.

Fair competition everywhere

"The anticorruption policy of ICL Services is aimed at the corporate culture creation not only with respect to its own employees but also to its partners. The corruption risk is real threat to business, and we are making all possible effort to respond and prevent it. These measures are of strategic importance for us", says Sergey Soloviev, CEO at ICL Services.



The company performs internal audit of suppliers that are allowed to deal with ICL Services. During the audit, the following criteria are applied: quality and price, reputation, as well as ability to comply with all applicable legislation requirements.

Corporate culture

15% of respondents in Russia and 12% worldwide [expect](#) that they will encounter corruption and bribery in future. This forecast underlines the importance of creating mechanisms for bribery and corruption risk control, as well as corporate culture development.

In general, each company employee can inform the compliance manager about noticed violations. There is a special section on the ICL Services corporate portal for employees to notify about actions that constitute corruption and other illegal activities of their colleagues. At the same time, the anticorruption policy guarantees employee protection from harassment and threats. ICL Services practices based on anticorruption principles is the cornerstone of the company's activities that promotes its successful development both in international IT markets and in Russia.

"All employees of our company are aware of business ethics and follow these rules in the work on a daily basis", notes Evgenia Solonina, Deputy Staff Director at ICL Services. "All employees receive training on anticorruption measures with a series of tests and information on such a concept as "conflict of interests."



ENVIRONMENTAL IMPACTS

Environmental Protection as an Integral Part of Corporate Culture. Environmentalism in ICL Services

2017 was declared the Year of Ecology in Russia. The state put issues related to environmental protection at the top of its priorities. Thanks to this initiative, an increasing number of eco-schools, eco-initiatives and eco-volunteers have started cropping up around the country, and citizens are learning more than ever about ecological and environmental issues. In other words, corporate eco-activities are now being implemented in the context of the country's general environmental policy.

ICL Russia is actively engaged in environmental issues and is committed to more environmentally friendly practices. We are using eco-friendly materials and have introduced measures to reduce energy consumption.

We believe there are two main motives spurring businesses to get more environmentally involved.

01

Solving problems without a direct economic benefit, because "the Earth is our home," or for PR purposes. This is often the case with non-production companies, such as auditing agencies, law firms, IT companies, etc. There are typically good reasons why resources for environmental tasks are limited: first they need to be found.

02

Potential savings or profits from implementing environmental standards (for example, preserving resources at a plant, factory, etc.). In this case, "environmental tasks" = "business tasks," and the company invests in them.



ICL Services is an IT service company of the second type. But we are currently developing a large corporate social responsibility program including environmental initiatives, as our experience shows:

We don't need big investments or a financial incentive to develop environmental initiatives

It is enough to have green enthusiasts on staff to support continuous environmental efforts

The main goal of internal environmental initiatives is to engage employees with the issue, get them interested and support their activities



The history of our eco-movement

Currently, we have an entire team of green activists, including 20+ permanent participants and up to 150 volunteers taking part in various events. Everything started five years ago thanks to two employees who contacted the company's management with the following suggestions:

- organize active leisure activities for the staff, including a bike ride and trash pick-up efforts around suburban lakes, with a picnic at the end

- put battery disposal containers in offices for their subsequent proper recycling.

The company supported both suggestions: the initiatives were announced through "official" channels, and the proper organization was arranged. When other progressive employees started noticing this support, they also began suggesting ideas: planting trees and plants, collecting waste paper, clothes, plastic bottles, etc. This led to the formation of an entire group of green enthusiasts inspired by the environment, charitable intentions and exercise. The team grew steadily via word of mouth, and new colleagues started joining after several events. As the team grows, the number and diversity of environmental initiatives grows along with it.

Easier is better, or how we support and improve our "green" movement

Time management teaches us that if you're procrastinating, try to find out what you don't like about what needs to be done. Once you remove that obstacle, it is easier to complete the task. We use the same method to organize our environmental activities. Employees are happy to take part because the company makes it easy, for example:

- | buying and transporting trees and tools for planting events

- | providing transport for rips out of the city, etc.

- | putting out boxes for waste paper collection and battery disposal in the office

The initiator of an environmental event is free to delegate the most difficult organizational aspects to event managers from the HR department and employees from the administrative department. All the participants have to do is turn up to the event on time.

Green office

Not everybody has time to participate in outdoor events. To help everyone participate, our staff activists suggested putting boxes for waste paper, plastic and old clothes in the company's offices. Their easy availability make green recycling activities the most popular, with 200+ participants every month.

We have also been collecting batteries since 2014. When batteries end up in ordinary landfills, they contaminate the earth, water and air with toxic agents. But when batteries are disposed of in our office, we send them off for safe disposal. Some colleagues approve of this initiative so much that they even bring in batteries from relatives and friends, so that they don't throw them out with the rest of their daily garbage. For the first half of 2018, we disposed of more than 100 kg of batteries.

PET bottles from special containers are also taken in for recycling by our administrative service. This is an excellent example of an initiative supported by the company's internal departments.

In addition, in the summer of 2018, we held our first campaign to collect waste paper and old clothing in our offices, and all the raised funds were donated to charity.

By the end of the year, we will also install containers for separate types of waste in the office.

In summer 2017, our green enthusiasts brought in containers for old clothes. We send clothes that are in good condition to environmental markets or donate them to orphanages. We take clothes that are too worn out to wear for recycling: it is more environmentally friendly to recycle clothes than to make new clothes from raw materials.

It is crucial that our eco-initiatives become firmly established in the everyday lives of as many companies and local residents as possible. We need a critical mass of people who are ready to pursue these opportunities and utilize recycling points for waste, clothing, batteries, etc. in a particular location. A single company, even a large one, can't do it alone. To succeed, eco-initiatives must be taken seriously by multiple businesses at the same time.

Intermediate result: expenses and results

ICL Services invests in its environmental activities:

incentives for eco-activists, including annual awards for the top volunteers and eco-activists of the company, distinctive signs on the corporate portal, and regular team building activities for the green group. Here we're not talking about bonuses or any financial incentives. The company does not require eco-activists to achieve commercial goals, but rather comes together with them to work together and make the world a better place

1 hour working time, 8-10 permanent members of the green team every week (for a reporting and planning meeting, monitoring of activities in the city, and the organization of events)

2-4 hours working time, 1-4 employees from HR and the administrative department every week (to organize environmental events)

small expenses, if necessary (trash cans for batteries, transport trees for planting by company van, etc.).

Results include:

team bonding. Helping the world together is a powerful way to bring the company closer together. Participants are guided by non-financial motives. In fact, many of them are key experts, including experienced engineers, team-leads, sales managers and even department managers

bolstering corporate culture. Our eco-activities gets employees communicating more with each other, help facilitate new acquaintances with colleagues from other departments, and increase participation in corporate events

a ticket into the green companies club. Y-generation's numbers on the labor market are already growing, and Z-generation is on its way. Many of them would prefer working for a green company.



We support environmental and charitable initiatives because we believe that to promote environmentally friendly thinking and lifestyle at the national level, we need to start small by engaging individuals and companies like us. We like to see that we are making the world a kinder, greener and cleaner place. We lead by good example, and help inspire and motivate others to new accomplishments and initiatives.



Our volunteer efforts in 2018:


We planted perennial shrubs area around Usady, where our company's new office is located. For us, planting campaigns are already a traditional event (we choose new areas almost every time). But this year we switched to a more "minor form," and for the first time planted perennial shrubs instead of trees. This is a more flexible option in terms of implementation, and is no less beneficial for local residents.



The "Environmentally friendly lifestyle" training series was developed and held, where employees told their peers about the rules and advantages of sorting waste and demonstrated how to easily and quickly sort in their everyday lives.

The team organized an 85-kilometer bike ride with a "green" excursion to the Kazan Observatory for more than 70 team members. We also showed how you don't need a car even for long-distance trips.

We also developed and released an Android app for our corporate car sharing service. This helps employees who live near each other better organize carpooling schedules for their commute. Carpooling directly reduces the number of cars on the road: this is good for the environment and helps employees save on gas.



Environmental protection is not the only area we are socially active in. We also hold a regular Donor Day, where several dozen of our team members regularly get together to donate blood and plasma in the Republican Blood Center of the Republic of Tatarstan. We also organize a collection of school supplies for students in orphanages, hold a charity fair for a local animal shelter, and more. Yet we are proud to note that our environmental initiatives attract the most participants, including the families of our employees.

We also joined the all-Russian Bike to Work campaign. On that day, 50+ employees opted to commute on bikes instead of by car.

ICL Services' IT solutions help clients increase savings, business security, productivity, and customer satisfaction.

Maintaining a high level of customer satisfaction

The principle of continuous improvement adopted by ICL Services as the basis for its business relies on regular Customer Satisfaction Surveys (C-SAT). According to evaluations submitted last year, ICL Services' clients gave an average score of 9.5 out of 10 (the average customer satisfaction score for services provided by ICL Services).

The company collects feedback from the key representatives of customers using interviews and online surveys. Customers evaluate service provision in three categories: strategy, account management, and operations. This evaluation permits successful practice and areas for development to be identified, as well as the calculation of an average score to be made.

C-SAT provides an objective and comprehensive evaluation of the following areas:

importance (to what extent ICL Services is easy to use in the context of running a business and provide value for money to the customer);

relationships (whether the company understands its clients, whether it shares its best practices, whether it meets its obligations);

service (whether ICL Services meets its target service level, whether it solves problems quickly and proactively).

strategy (to what extent ICL Services improves and increases the client company's effectiveness);

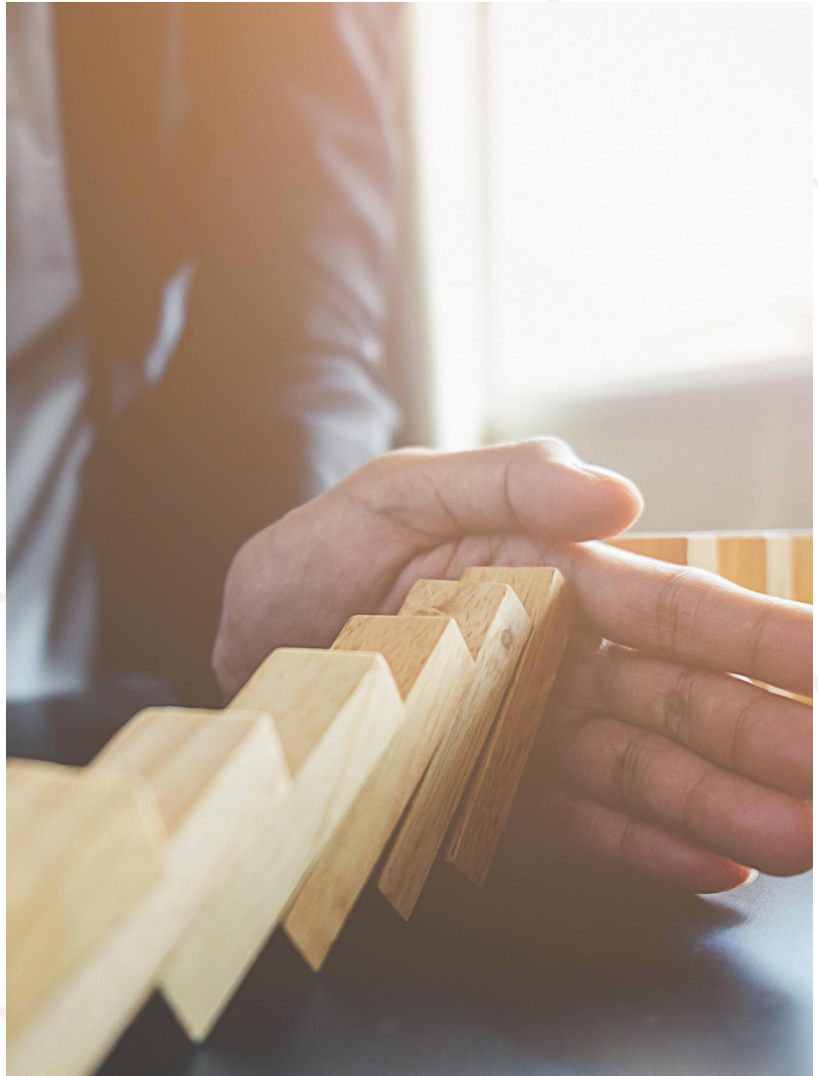
resources (the professionalism of the personnel who provide the services);

projects (the effectiveness of the project management);

C-SAT results are used to constantly improve the quality of services provided to clients. For example, the company creates a Continuous Service Improvement Plan (CSIP) for every service project. This plan registers suggestions regarding service quality improvement (by decreasing number of incidents, increasing customer satisfaction, etc.) and then tracks how implementation progresses. The constant search for new opportunities and improved service quality decreases the service cost to the customer.

Client's business security

One of the key expectations of clients who engage IT outsourcers is a guarantee that their data will be protected from leaks and other information security (IS) risks.



ISO/IEC 27001. Working complying with international quality and security standards

Often the least critical services are the first to be outsourced. The outsourcer receives more complex and risky services only when the services are proven to comply with the basic IS requirements.

But there is a simpler way to make sure that the outsourcer guarantees that the basic IS requirements will be fulfilled: by checking whether a current ISO/IEC 27001 certificate has been awarded following an independent audit.

ICL Services is regularly audited by the most authoritative independent auditors in order to confirm its compliance with ISO/IEC 27001 standard requirements. An awareness of the requirement for IS compliance is a part of company's corporate culture. This awareness is ingrained in the employees from the moment they start. All specialists regularly undergo training and mandatory testing regarding IS rules.

Innovative solutions for business automation and monitoring

All companies which seek to grow their business are using advanced technologies. There is ever more information, and they need to be flexible and able to change quickly: not only changing the services they provide to their customers, but also transforming internal processes, making them more mobile and dynamic. All this allows the business to keep up with the times and provide high-quality IT services to its employees and customers. However, experts state that companies need new IT solutions to constantly improve their services. ICL Services has implemented a number of innovative projects to improve the performance of service teams, including KPI reporting automation, Service Desk performance improvement, and the more efficient management of field engineers.

Acceptance of requests in a few seconds

Despite the fact that the target problem-resolution time can be measured in hours in accordance with the SLA, any incidents should be eliminated as quickly as possible. The speedy elimination of incidents involves their primary processing and correct assignment to resolution groups.

These responsibilities are usually assigned to the first line of support in the Service Desk, resulting in delays of at least a few minutes, even when the request has been described in detail. How can we minimize this loss of time?

A few months ago ICL Services, along with the first-line operators, began to use the system for the automatic classification of incidents and service requests. The new system is a robot that determines the nature and classification of problems using machine learning and algorithms to process and understand natural language. This robot also assigns the task to specific engineers and suggests solutions to specific problems.



Currently, the robot can fully automatically assign

15–20%

of requests.

This "robotic" approach has several advantages:

Third,

automatic classification forms the basis for fully automatic problem solving.

Second,

the workload of first-line operators is reduced, enabling them to reduce errors and better handle the rest of the requests even during peak periods.

First,

the average time loss associated with classification is reduced from 4–5 minutes to 21 seconds.

So, machine learning and artificial intelligence are expanding the scope of automation to further reducing the time needed to resolve incidents and process service requests.



Automatic assignment of IT engineers to visit the customer

Any large company that has numerous offices or stores throughout Russia also has a global IT infrastructure that needs to be constantly maintained, updated and improved. The level and quality of services provided by the company directly depend on it. ICL Services and its partner have developed and implemented a field engineer management tool to quickly address the challenges and issues with the IT infrastructure of such large customers.



This tool is designed to respond as quickly as possible to customer requests. The system structure allows the near automatic processing of requests from customers and assigning of visits, if necessary. Technical support has already seen an increase in productivity and efficiency of nearly 30%.

The system consists of several components: interfaces for dispatchers and field engineers, hardware and a vast database that contains all the necessary information about the customer, its sites and SLAs.

In practice, this works as follows. The dispatcher uses the interface to receive messages directly from customers, create records for new requests, and take an appropriate decision: Does an engineer need to visit the customer? If the visit is necessary, the corresponding task (work order) is created for the field engineer. This task contains all the necessary information about the purpose and place of work, and documents that may be needed, for example, certificates of work performed or instructions.

The following aspects are taken into account when selecting a specific employee: competences, availability, availability of the necessary tools and the distance to the place of work. As a result, each task is assigned only to an employee who can perform the work and get to the customer as quickly as possible.

Each work order "finds" its recipient thanks to the interface of the field engineer, which is installed on the employee's mobile device. Using the smartphone app, the engineer receives a timely notification of a new visit and comprehensive information about the request. Also, the application tracks the work and travel time, which later is used to calculate labor costs.

The most important and largest part of the Snaryad application is its database. It contains a huge amount of information that may be required for effective work: customer information – sites and working hours; field employee information – names, positions, service areas and competencies; SLAs – SLA indicators, levels and differences depending on the type of the site. So the engineer's visit is planned almost immediately after receipt of the customer request, and the task is assigned to the engineer who has the necessary competences. In addition, strict control is maintained of incidents and visits, which gives the customer the opportunity to receive comprehensive reports on the quality of services received.

Benefits for the customer:

the response time of the technician is up to 15 minutes;

the arrival time at the equipment installation site is from 1 hour;

and the equipment repair time is from 2 hours.

In the near future, ICL Services plans to start using this visit management system for all projects and customers. As of August 2018, it was used by 97% of engineers.

Real-time KPI and SLA reports

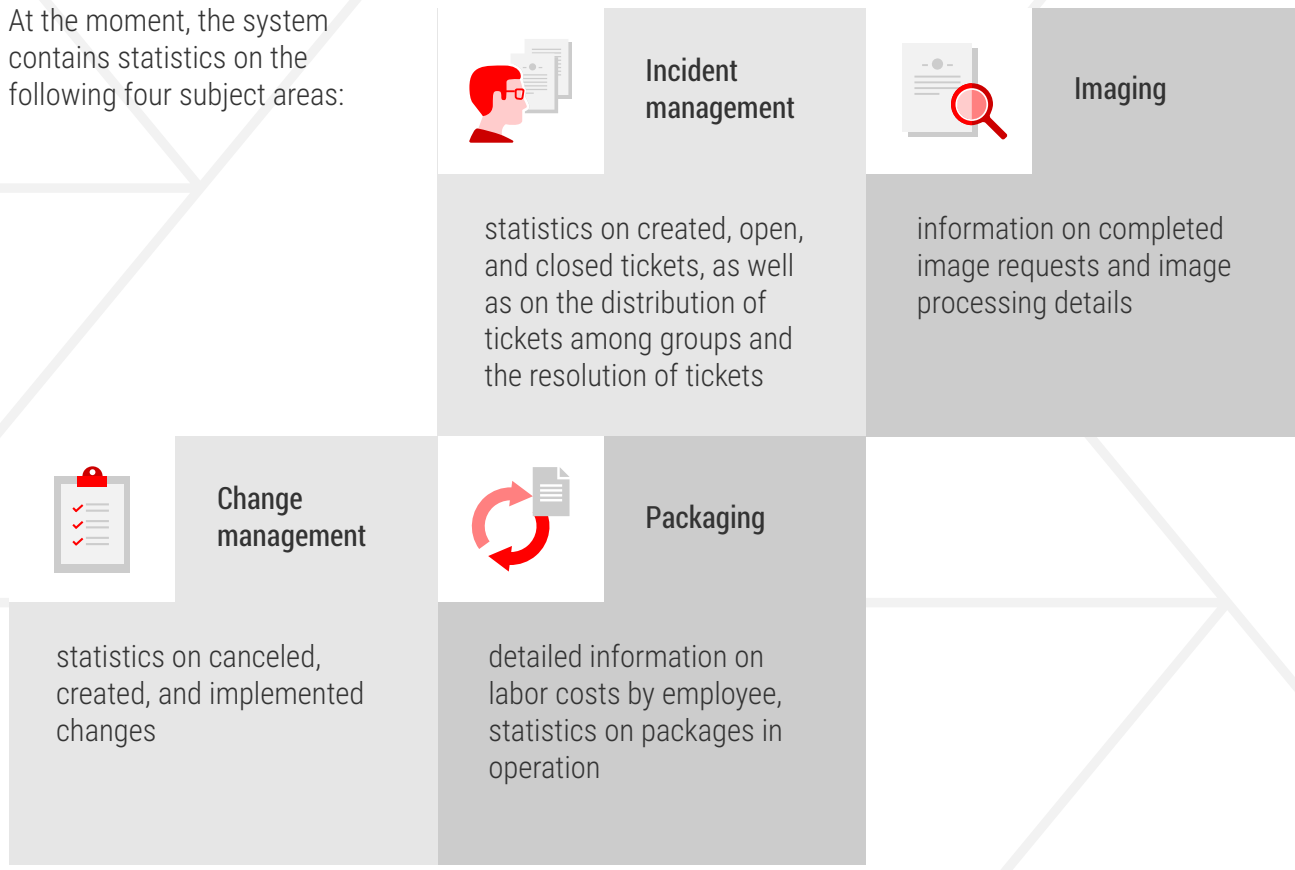
Real-time KPI and SLA reports can be collected by the Pulse system. It was developed by ICL Services as part of a strategic initiative to automate the reporting and stack monitoring process for all commercial projects.

This system provides the ability to quickly receive reports on the company's work without delays related to manual data collection, as well as analyze performance and take management decisions.

Pulse collects data from various ITSM systems and is based on OLAP cubes, multidimensional data arrays that enable the necessary information to be obtained (for example, by employee, day, etc.).



At the moment, the system contains statistics on the following four subject areas:



So, Pulse allows the company to create common criteria for all projects to evaluate the work of both engineers and project managers, as well as to generate various reports in a short time and maintain control over the provision of services and the performance of contractual obligations and internal standards. In addition, Pulse helps the company analyze the current workload of employees, assess their performance, quickly escalate problems, take decisions about time off and holidays, and build a price model based on actual statistics.

Work in professional communities

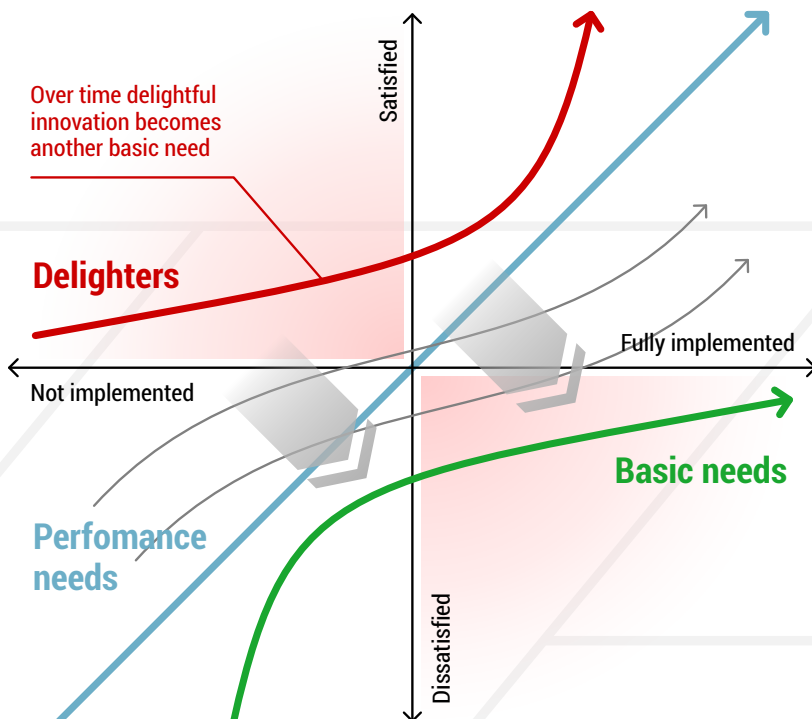
ICL Services is part of several professional communities, in particular the non-commercial partnership "RUSSOFT" and the Strategic Outsourcing Association "ASTRA".

Through sharing experiences with other members of such communities, our company helps to increase the general level of expertise in the IT outsourcing market. In particular, ICL Services can share its significant experience of international operations with colleagues and customers from 30 countries. Membership of professional communities also provides additional opportunities for organizing face-to-face events: meetings with current and potential clients, masterclasses on certain subjects, and so on.

Continuous Improvement: Approaches to Using Lean in IT Management

In the 1980's, Professor Noriaki Kano invented a model that reflects the relationship between product qualities and customer satisfaction. He defined three categories of product qualities: basic, performance, and excitement. And then he explained how these or other qualities increase or decrease satisfaction from the use of the product.

This model demonstrates that the value of certain product qualities from the consumer's point of view changes over time. The qualities can transfer between categories. What originally created the WOW effect and belonged to the performance category is gradually becoming an integral (basic) attribute of this product or service. Let's take, for example, the first smartphones: cameras and color displays caused a lot of excitement. As of today, all customers expect to get these options by default in any smartphone.



To stay competitive, meet and anticipate customer expectations, companies have to keep abreast of and respond to changes in a proactive manner. Such methodologies and frameworks as Agile, Six Sigma, SCRUM, SAFe, etc. provide the required flexibility and help companies make decisions quickly. As for ICL Services, we use lean manufacturing (or simply Lean) tools and methodologies for this purpose.

Our Lean approach is based on a deep understanding of the customer needs and timely and even proactive response to requests.



How it works

Lean manufacturing tools and methodologies are changing the way the team works and helping to adopt the customer centric mindset. Lean offers to focus on getting rid of activities that do not create value for the customer. Using well-defined methodologies, the team learns how to cope faster with the changing expectations of the customer.

New philosophy

The new way of working entails changes that affect each employee. The team needs time to rebuild their processes and relationships and start using new tools. Therefore, we are implementing Lean in our teams in stages. First, a dedicated platform is deployed to discuss team performance. Then, we sequentially add lean manufacturing tools to this platform. In a few weeks, the team notices the first results and advantages of using the new approach. This is a good incentive to implement Lean in more complex tasks.

The first stage

Stages

Let's consider the four stages that a team goes through when implementing Lean in our company.

The 1st stage: the team gets acquainted with the basic tools. Employees are imbued with ideas and get acquainted with the concept of continuous improvement. A platform is deployed to quickly diagnose the current level of team performance.

How we do it: the team allocates a certain period of time to evaluate its work, for example, an hour per week. During such meetings, the team analyzes the current situation and identifies areas for improvement. At this stage, employees talk about issues that prevent them from working productively, and then create a plan to eliminate the issues. Employees see that their problems are actually solved, and trust within the team is growing. In addition, general rules of interaction in the team are developed.

Example: the team holds one face-to-face meeting per week. Such meetings provide an opportunity for employees to express their ideas and suggestions for improvement. As a result of the first meeting, the participants formed an improvement plan, after implementation of which, the team was able to increase productivity. Employees' trust in the lean manufacturing approach increased.

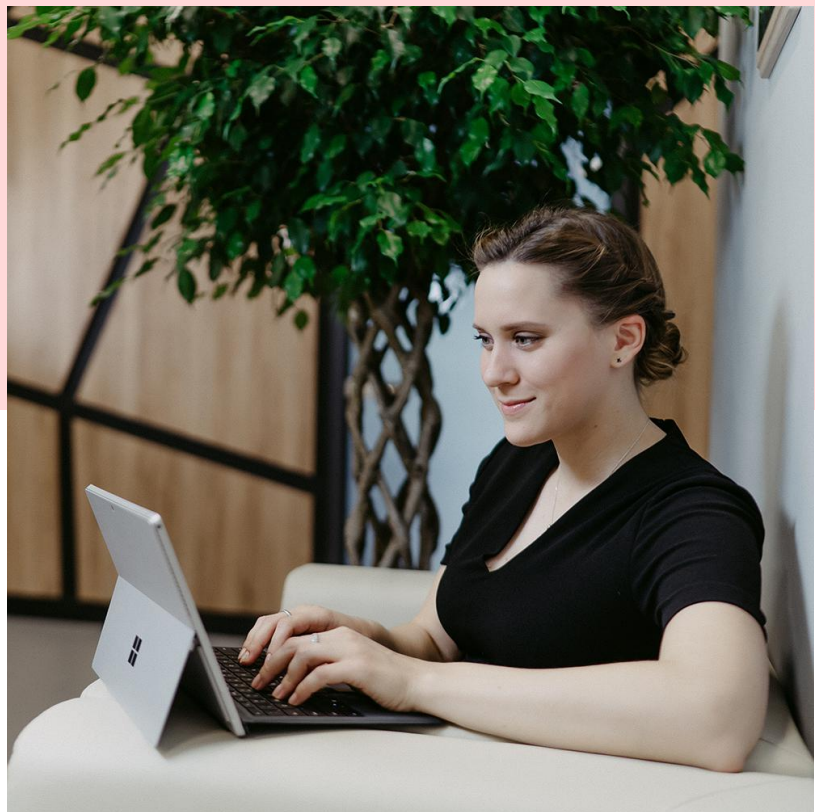


The second stage

The 2nd stage: the team evaluates its performance taking into account the value for the customer. The customer is in the spotlight, along with his/her needs. At this level, the requirements are transformed into

indicators to be monitored by the team. The team focuses on those areas that increase customer satisfaction and gets acquainted with a comprehensive approach to problem solving.

How we do it: the team constantly monitors and anticipates customer expectations. Feedback from customers turns into new indicators of the team's performance. As a result, the team is always on the same page with its customers.



Example. During one of the meetings, the team analyzed the customer's current requests and expectations: the key point was the speed of response. It turned out that the problem was associated with the shifts overlapping. At an additional meeting, participants studied the problem in detail and revealed the root causes. Then they prepared an action plan to address the causes and solve the problem. The tasks were redistributed among the employees, and a new position was introduced, which allowed to solve the problem with the shifts overlapping, reduced the load on employees and increased the quality of work.

The third stage

The 3rd stage: the team introduces new Lean tools into their workflows, all activities are standardized, and processes and procedures are getting rid of inefficient steps. The areas where the team measures its performance are expanded.

How we do it: the team effectively manages its work depending on the customer's requests. All improvements are standardized, and agreements within the team are strictly complied with.



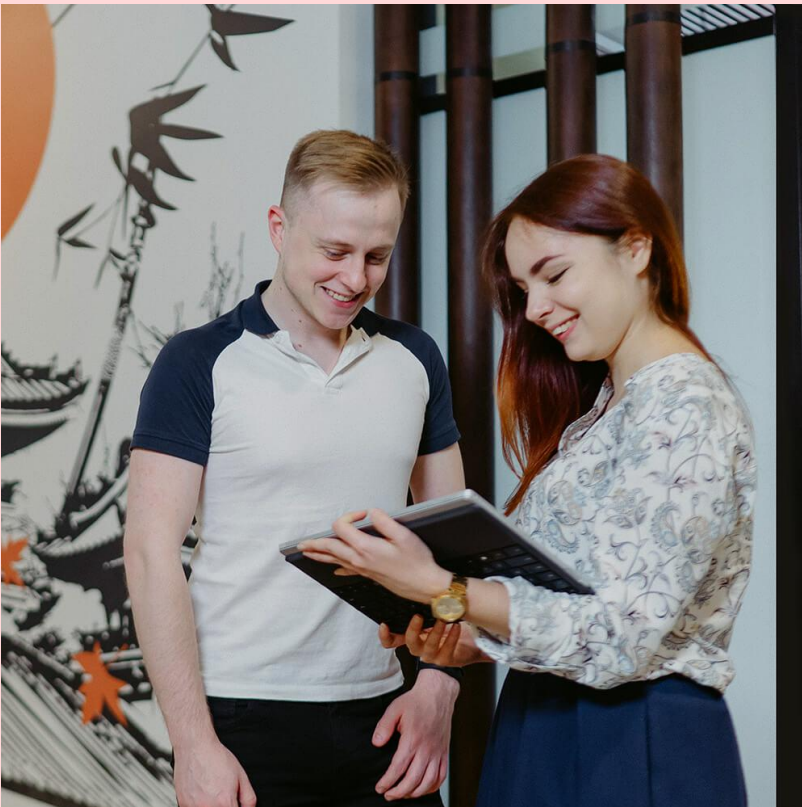
Example: the team began to systematically improve the current workflows. A dedicated working group studied one process in detail, then they removed unnecessary steps and ensured effective communications among other teams and units. As a result, they saved up to 5,000 man-hours per year within this project.

The fourth stage

The 4th stage: the team is improving services and focuses on proactive work. The objectives are revised, and new challenges are identified. The team shifts its focus from what is already being done perfectly to what else can be improved.

How we do it: the team is ahead of the curve: the customer has not yet expressed his/her wish, but we are already implementing it.

Example. The team audited its project and began to optimize its core business processes. They began by classifying and assigning tasks to engineers. After several team meetings, new solutions were found and an action plan was prepared. As a result, the team was able to automate ticket analysis through machine learning and the subsequent assignment of task to engineers. Ticket resolution time was reduced by almost 2 times, and the customer noticed improvements very quickly. Resources that were freed up as a result of optimization were used to solve new tasks within this project.



Important considerations for implementing Lean in the teams:

03

The active participation of managers is key to the success of the implementation of the tools. The better a manager understands the benefits of the new approach for his/her team, the faster such changes are implemented.

01

You should not expect incredible success in a short time. Staged implementation provides stable results and ensures high employee engagement.

04

Lean methodologies make the work of the team more structured and allow using the best world experience and useful tools.

02

The entire team is responsible for improving performance, which creates an enabling environment for generating new ideas and promotes employee engagement.

About improvements

From the point of view of Lean, improvements do not necessarily consist in a complete revision of the team's processes. It is more important to ensure continuous improvements. Even small continuous improvements can enable teams to create a margin of safety to flexibly respond to changing reality.

We often have to question the usual approaches to work. It is unusual for a team, especially when its performance indicators are in the "green zone." However, every single day we improve our work a little bit. As a result, ICL Services is always ready for new challenges, and our team meets and even exceeds the expectations of customers.

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